

NATION'S BUSINESS

June



1927

Cut Taxes, Pay Debts *or*
Spend ? *by Ogden L. Mills*

China's Silks *and* Iowa's
Pigs *by William C. Redfield*

*The Farming East Fights
Back by Ralph D. Hetzel*

Map of Nation's Business, Page 46



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION

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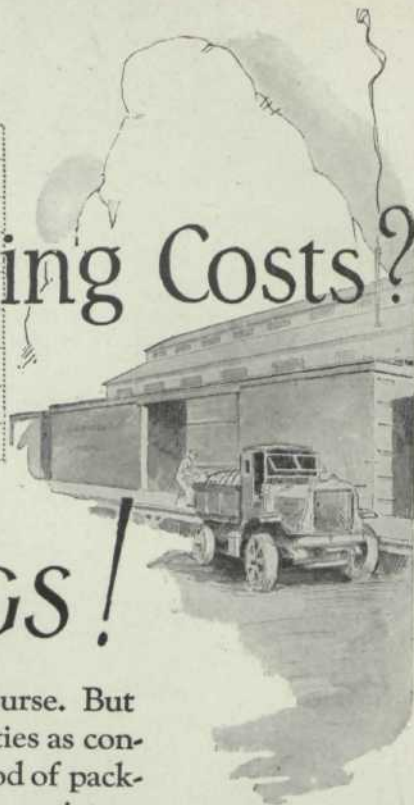
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In Far-Away New Zealand —Truscon Buildings



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Waterproofed



TYPE 1 and 1-S



TYPE 2



TYPE 3



TYPE 3-M



TYPE 4



SAWTOOTH TYPE

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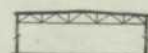
YOUNGSTOWN, OHIO

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SERIES "B"

Flat Roof Types WITH STEELDECKS

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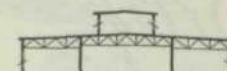
TYPE 2



TYPE 3



TYPE 3-M



TYPE 3 (with lantern)



TYPE 4

Truscon Products

Steel Poles
Pole Line Hardware
Pressed Steel Parts
Foundry Flasks
Waterproofings
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136-6-27

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To Manufacturers of Quality Products

YOU naturally expect some competition based on substitution and cut prices. The imitator always stalks on the trail of established successes.

To meet price competition even your salesmen may ask for lower prices, but they would be unwilling to make quality concessions to obtain them.

You have traveled your set course too long to be induced to swerve.

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What effective lubrication will do

PROMINENT engineers assert that the effective life of machine equipment, by proper attention, can be extended one month for each year of service. Many say this annual saving of one-twelfth is far too conservative an estimate.

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THE STATE of New York owns and operates the Erie Canal, representing a capital investment, paid in by taxpayers, of \$170,000,000. The annual fixed charge for carrying this investment—interest charge at an estimated rate of 5 per cent—is \$8,500,000.

Between the years 1919 and 1925, according to the New York State Superintendent of Public Works, twelve million tons of cargo have been freighted on the canal at an operating loss of \$84,000,000—nearly seven dollars a ton—a deficit the New York taxpayer has been called upon to meet. He hasn't known, perhaps, that he was paying this deficiency, but his share of the loss has been hidden in his tax bill.

During this same period, railroads operating in New York State have paid \$141,000,000 in taxes. It amounts to this: Privately owned railroads have been called upon to pay the state for the losses sustained by the state in maintaining a transportation system in competition with the railroads. A snug arrangement.

In his report to the Governor of New York, the Superintendent of Public Works says:

In 1925 it cost the state \$4.51 a ton for all freight floated on the canal, regardless of the length of the haul. From these figures it is evident that it would have been cheaper for the state if all the freight carried on the canal had been put on railroad cars and the state had paid all the freight bills.

OF THE pretentious business enterprises undertaken eight years ago by the State of North Dakota only four survive—the bank, the elevator, and two insurance groups. Two other projects of the Non-Partisan League are inoperative. A state creamery lost \$16,000 and shut down. The plan by which farmers were to be able to borrow from state funds for financing dairy herds got no further than official outline because not one farmer has tried to make use of it.

No doubt the plan for financing dairy herds was heralded with loud hosannas by the politicians as "a crying need of a downtrodden peasantry." Time moved on, as time does, and proved, in this case as in many another, the "crying need" existed only in the demagogue's frenzied imagination.

PARADOXES in a month's news: General Ireland asks preparedness in the drug industry . . . and E. C. DeWitt, patent medicine maker, leaves estate estimated at \$85,000,000. California faces exodus of wealth in plan to double tax "foreign" securities . . . and Florida sees hope after a dull season. Far off speakers seen in tests of television . . . and astronomers seek signs of life on Venus.

Wm. Cramp & Sons, Philadelphia, aban-

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



A
PAGE FROM THE

Phone Primer...

Oh! see the an-gry man! Why is he so mad?

He has been try-ing to talk over the tel-e-phone with the man in the next off-ice since lunch time and the line has been bus-y for ov-er an hour.

Why does he not walk in and see him?

Be-cause he has al-read-y walked ten miles to-day to at-tend off-ice con-fer-ences and his feet are sore.

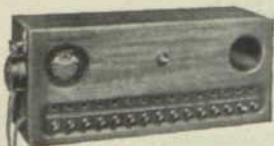
Does he not know that the off-ice switch-board is so bur-den-ed with in-ter-off-ice calls that the tel-e-phones are tied up half the time?

No, he does not. If he did, he would in-stall a Dict-o-graph for swift and sure in-ter-ior com-mun-i-ca-tion.

Then he would be hap-py and could save his feet for golf.

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N-6

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don shipbuilding . . . and Italians hope for treasure in sunken Roman ships. Princeton professor condemns colleges as slot machines . . . and assistant to New York's mayor declares more college men should enter public life. British "plus fours" usurp Paris boulevards . . . and French tax on felt reduces size of peasants' hats.

Panama Canal scores second best month in March . . . and project for Nicaraguan Canal is revived. Dr. Pal, Vienna professor, marvels at our strides in medicine . . . and 150,000 are ill in bed each day in New York. Noise is imperiling health of the race, says Iowa scientist . . . and experiment shows love and financial worries interfere with students' sleep.

Hoover urges more fishing as antidote for crime and radicalism . . . and Mellie Dunham's fiddle earns \$20,000 for him in sixteen months. Britain faces deficit exceeding £36,500,000 . . . and 207 in United States pay tax on incomes of million or more. 6,946 hospitals, with 859,445 beds, reported available in this country . . . and Chicago elects Thompson mayor.

North Carolina's governor prepares for \$20,000,000 highway bond issue . . . and W. C. Durant plans big motor merger. Norse expert praises our thrift . . . and Newark girl denounces working wives. Antique dealers adopt code of ethics . . . and Rumanian stamp sells for \$2,000.

Red Cross aids thousands of flood refugees . . . and cotton rises to new high on spread of waters. Gimbel family celebrates eighty-fifth anniversary of first store . . . and Ford stops grocery sales to public on protests of retailers. Greek court holds Socrates needs no vindication . . . and fifteen American pedigreed pigs are sent to Athens to give new tone to husbandry.

Germany worried by roving youths . . . and Rotarians debate admission of Germany to order. Chauncey M. Depew, at 93, misses old "playmates" . . . and club women organize to save the home.

Industries continue campaigns to abolish surplus styles and to eliminate waste. . . . Dentists advocate an extra set of false teeth for "evening wear." Society woman buys "noisy" shoes for her houseworkers and indignant servants quit. . . . Chiefs of India wear squeaky shoes to impress bare-foot subjects. Approximately 96.5 per cent of Switzerland homes wired for electricity compared with 56 per cent in the United States. . . . Club women's survey shows more American families have automobiles than kitchen sinks.

Mexico asserts United States industrialism detrimental. . . . Minister of National Economy cites our industrial system as ideal for Italy. Germans cite America as example in favor of 8-hour day. . . . Cut-glass workers in Bohemia blame American standardization methods for lack of employment. Prefect of Turin once refused to help educate Mussolini. . . . Rotarians plan scholarship for students of exceptional merit.

AMONG the contributors in this issue are Ogden Mills, Undersecretary of the Treasury; Dr. Ralph D. Hetzel, president of Pennsylvania State College; William C. Redfield, former Secretary of Commerce; Dr. Harrison E. Howe, editor of *Industrial*



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moves any load—from a few pounds to 3-tons — quickly and easily

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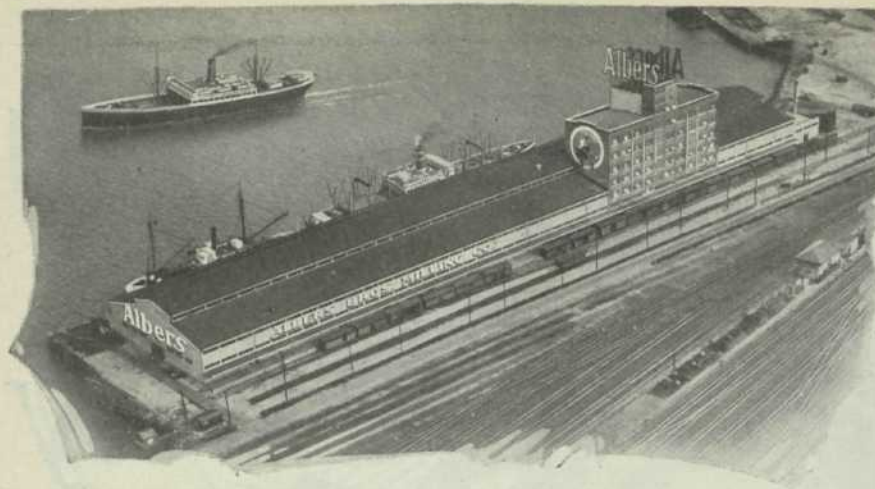
Let us prove exactly what OverR-Way can accomplish in your own plant. This demonstration will not cost you a cent, and we'll place you under no obligation.

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Last year more than ten thousand ships called at the PORT OF OAKLAND, picking up a substantial portion of Oakland's \$400,000,000 worth of manufactured products and distributing them throughout the world ~ coastwise to points North and South ~ through the Canal to the Atlantic Seaboard ~ and across the Pacific to the markets of the Orient.

One hundred and nine new industries located in Oakland during 1926. It will pay you to investigate Oakland's industrial growth.

Ask for a special technical survey of your particular industry. Address ...



Write for it!

Industrial Department ~ Oakland Chamber of Commerce



This advertisement of Oakland and Alameda County is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

OAKLAND { and Alameda County } CALIFORNIA

727

"Industrial Capital of the West"

When writing to INDUSTRIAL DEPARTMENT, OAKLAND CHAMBER OF COMMERCE please mention *Nation's Business*

and Engineering Chemistry; William P. Helm, Jr., statistical analyst; and Charles W. Stark, specialist in highway transportation, Chamber of Commerce of the United States.

The elevation of Mr. Mills to the post of Undersecretary of the Treasury gives an especially timely quality to his consideration of the possible ways to apply the expected Treasury surplus. Long a student of taxation and trained in the requirements of state and national finance by his service in the New York State Senate and in the Congress, he writes authoritatively of the possibilities of a decision to "Cut Taxes, Pay Debts, or Spend."

Dr. Hetzel, president of Pennsylvania State College since January, 1927, is peculiarly fitted to tell "Why the Farming East Fights Back" by reason of his first-hand knowledge of the East, the Middle West and the Far West. Educated in Wisconsin, he went to Oregon, where he attained the position of Director of Agricultural Extension and built up an organization that has had a far-reaching effect upon farm conditions in that state. When the New Hampshire College of Agriculture and Mechanic Arts was seeking the initiative of a young westerner for its presidency, it turned to Dr. Hetzel. With his guidance, the institution became the largest state university in its region. Now, after ten years in the North East, he is in eminent position to interpret sectional problems and policies of agriculture.

To his informative discussion of regulations that modify the flow of foreign trade, Mr. Redfield brings a ripened familiarity with international trade and finance acquired in his private enterprise and his public service. In "China's Silks and Iowa's Pigs" he focuses attention on the economic interdependence of nations, and the inexorable necessity for a nation's buying as well as selling.

Because of the prevalent belief that much of farm waste is marketable to industries, examination of this popular notion is worth while. The obstacles to profitable reclamation of agricultural waste are eloquently indicated by Dr. Howe's answer to "What of the Farmer's Wastes?"

Another informative article in the series on the increasing cost of government is contributed by William P. Helm, Jr., seasoned newsman, business observer, and analyst for the Standard Statistics Company of New York.

The increase in the number of interstate bus and truck lines is a significant symptom of a trend in transportation. Proposals to regulate these services are varied and ingenious. Mr. Stark's intelligent statement of the general problem is grounded in his active contact with developments in the field of highway transportation.

USUALLY there is only anonymity in letters signed "constant reader," but when a man identifies himself as "the persistent reader," his case suggests a more incurable addiction to textual stimulant. Once reading becomes chronic, appetite is so avid that home as well as office must give appeasement, as when W. H. Fear of Portland, Oregon, directs us "to have succeeding numbers of your magazine mailed

to my residence," because he is "not accustomed to encroaching upon office time with library reading."

NATION'S BUSINESS is, of course, produced primarily for business men, but to expect us to keep it out of their homes would be asking too much, as Mr. Fear's request reveals.

NOTHING less than a military salute would seem adequate to acknowledge the three-year subscription of Hafez Abbassi, Taht Rabh street, Cairo, Egypt. There is no mistaking the businesslike dignity of his preparedness to make the most of the magazine, for he writes:

I have the honor to inform you that I am ready to subscribe for three years in your journal. Please find herein cheque for \$7.50 forming cost of subscription, to which let me have due receipt for same amount and send round every month a fresh catalogue.

Nor is the obligation on the staff any less definite. To satisfy the man who expects "every month a fresh catalogue" is a first principle in our editorial purpose, but here is a timely reminder not to present a "dull catalogue of common things."

PERTINENT remarks culled from the day's mail:

I never lose an opportunity to say a good word for NATION'S BUSINESS.—R. P. Morris, Knoxville, Tenn.

An exceptional magazine; it keeps me posted.—Alfred J. Fleury, New York City.

Your April number indeed inspiring and elevating.—C. F. Kraemer, Newark, N. J.

I have been a subscriber for two years and find NATION'S BUSINESS to be a source of much interest.—W. H. Gotchell, Coal- inga, Calif.

As custodian of the Davis Library of Highway Engineering and Highway Transport, I have access to 85 periodicals, nevertheless I cannot afford to be without the inspiration and the contact with the business world which NATION'S BUSINESS assures me. Enclosed check for \$7.50.—Arthur H. Blanchard, Toledo, Ohio.

I regard your admirable article, Cities Enter the New Competition so highly, please send marked copy to each of the following influential Seattle citizens, for which check enclosed.—Christy Thomas, Seattle, Wash.

NATION'S BUSINESS is the best magazine of its kind published.—Stanley P. Seward, The White Company, Cleveland, Ohio.

Your magazine is much enjoyed by passengers on our Club cars.—P. A. Ellerman, Lehigh Valley Ry. Co., Easton, Pa.

A REVEALING footnote on the ever-widening distribution of prosperity in these States is provided in the figures for silk and cotton hosiery. During 1915, the American mills knitted 34,500,000 dozen pairs of cotton hose for women. At the next census, in 1925, the quantity of cotton hose had dwindled to 28,600,000 dozen pairs. An active demand for silk explains the gain in value from \$278,000,000 to \$302,000,000 for the two census years on about the same total quantity of

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They pay money to read about Home

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Advertisers who use BETTER HOMES and GARDENS have found this opportunity is too good to be overlooked.

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hosiery of all materials, the increased manufacture of silk, near silk, and silk mixture hosiery more than making up for the loss in cotton.

Here is a significant item to show again that fashion's light touch can revise great industries. In the old days when politicians always suspected cotton hose at the polls, it was recklessly folly to appear in silk.

Now the spread of silk is leveling all class distinctions in American legs, and a politician even though representing the downtrodden poor might appear in silk without losing votes.

ALONG with telling us that "copious extracts" of our March article on French taxation were published in the European edition of the New York *Herald*, Laurence Hills, its able editor, writes from Paris:

The article was splendidly done and certainly did justice to France. We, who live here, know that France is now staggering under as heavy a burden of taxation as any nation ever has assumed. Whatever may have been true of the French in the past, it is certainly not true now that they are a nation of tax dodgers and are not taxing themselves sufficiently.

FROM "An Ambitious Office Boy" in Hollidaysburg, Pennsylvania, comes moving testimony of the regenerating experience of conversion to our Fewer Laws Club. Chance exposure to "an odd issue," he confesses, accomplished the revision of belief, for he explains that NATION'S BUSINESS, "like most trade and association publications generally, found its way into the waste basket unobserved."

Even though the vessel of this miracle was plucked from the brink of oblivion, there is satisfaction in knowing that its editorial battery had not lost all spark with age.

It is in the record that by "accidental reading" the correspondent was shocked into the active consciousness of too many laws.

So auspicious a beginning gives hope that he will persist in his new-found faith by frequent contact with its source. It is only by regular reading that the full flavor of the magazine is obtained, a requirement he acknowledges with saying that

I realize that I have missed much through not becoming acquainted with your publication.

However much I have missed it, the people or clients that I might have been serving or advising in the meantime have missed more, for losses, like gains, soon become cumulative in their effects.

Perhaps it would not be wise to penetrate the incognito here assumed, but there can be no impropriety in the editorial resolve to keep this "office boy" from plumbing the depths of regret vocalized on another decision.

After a few weeks in a bank, a young page announced his intention to quit. Asked by his chief whether he did not like the banking business, he answered, "No, I don't like it, and I am sorry I ever learned it."

M.T.



"Well why? Why isn't it up to date? I need it *now*, not next week!"

"Bosh! D'you think I can hold up production in the whole plant for twenty dollars' worth of bolts?—

"Why don't you get records that *will* keep you informed automatically?—I don't know how or care, but do *something*! And do it fast!"

* * * * *

They did it fast! The Acme man helped them over the first steps. And the rest was easy.

Now Acme Visible Records give them a complete picture of stock and production records at all times. And every vital fact is *out in the open* where it can't be overlooked. Bright colored signals flash warnings where needed. Buying, stock-control, and production control are handled speedily and surely. *And the personnel required is actually less.*

But stock-control is only one of the many ways in which Acme Visible Records cut costs and insure accuracy. Hardly a business record exists

which cannot be handled more efficiently on Acme equipment.

So varied are the records that need visibility that we have written an extraordinarily interesting book—"Profitable Business Control," bristling with interesting facts, and showing how various problems have been solved through visible records.

This book is exceptionally valuable to executives and we will gladly send a copy if you will drop the coupon in the mail. No obligation, of course. Send it now!



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- ☐ Please write me concerning your system for handling _____ records.

- ☐ You may send your nearest representative to see me

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ADDRESS _____

CITY _____ STATE _____



This Is the Emblem of the Oil Heating Institute

It is the symbol of satisfactory public service in oil heating. Only the manufacturers who are members of the Oil Heating Institute are permitted to use it.

These manufacturers have earned their membership through the enthusiasm of thousands of home owners whom they have provided with efficient and dependable oil heating.

This symbol protects you, and it will be protected, on your behalf, by the Oil Heating Institute.

Today— not tomorrow!

Satisfactory Oil Heating Is Here NOW

An important announcement issued to every home owner by the Directors of the Oil Heating Institute.

No modern improvement in the home has had such a spontaneous and hearty welcome as oil heating. All agree that it is most beneficial to the health and comfort of every member of the family.

Oil heating is automatic and uniform. It is so clean! So healthful! So steady! It more than pays for itself in peace of mind. This modern miracle of home comfort simply antiquates yesterday's crude, untidy, unsanitary, exasperating methods.

Oil Heating Institute Formed in Public Interest

To give the public a full and accurate understanding of the many benefits of oil heating, the Oil Heating Institute was founded. It is composed of leading manufacturers of oil heating equipment who have a combined invested capital of over \$40,000,000. They are well organized, soundly financed and thoroughly qualified in experience, technical skill and manufacturing ability to render permanently satisfactory service to the public.

These manufacturers realize that domestic oil heating is of nation-wide interest and importance. Every one is seeking to learn more about this wonderful home convenience. It is the agreed policy of the members of the Oil Heating Institute to serve the public not only in providing equipment, but in assuring permanent heating satisfaction.

Hence the organization of the Oil Heating Institute, not for profit, but as a central and unbiased bureau for research and information.

The Amazing Growth of Oil Heating

Over 500,000 homes now
enjoy this proved
convenience

Oil heating has proved even more popular than the automobile. In the tenth year of the automobile industry, manufacturers placed \$12,000,000 worth of cars on American roads.

In the tenth year of the oil heating industry, just closed, over \$75,000,000 worth of oil heating equipment was installed in American homes.

During 1926 alone, approximately 100,000 homes were equipped with oil heating systems.

It is estimated that 250,000 domestic oil heating systems will be installed during 1927 in order to meet the demand for clean, dependable, automatic oil heating.

The chief activity of the Institute is to serve as a national clearing house for accurate and helpful information on this modern method of heating.

The Oil Heating Institute is fully qualified to guide the betterment of oil heating service.

The Oil Heating Institute offers the public the benefit of the accumulated experience of all its member companies. Working with it are international authorities on oil and oil combustion, specialists in the design and manufacture of oil heating devices, and men

trained in the requirements of satisfactory oil heating.

Furthermore, the Oil Heating Institute numbers among its associate members the leading oil companies which are co-operating to deliver furnace oil and fuel oil efficiently and economically.

Leading manufacturers of electrical devices and automatic control equipment are also associate members. They are actively engaged in furnishing the most efficient and up-to-date application of electrical power and automatic operation to oil heating.

This means that these responsible companies, with their technical skill and manufacturing experience, are supporting the efforts of the Institute and its members in providing the satisfactory equipment and oil heating service which are now available.

The Oil Heating Institute has prepared a non-technical 80-page Book which contains the latest information regarding tested and proved methods of oil heating. This book is written by leading authorities, and gives complete instructions for the selection of oil heating equipment. It will be sent to any one who returns this coupon, together with ten cents to cover mailing costs.

Send in the Coupon TODAY!

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THE MODERN
MIRACLE
OF COMFORT
*How to select
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Enclosed find ten cents (10c) for which please send me, post-
paid, your book entitled "Oil Heating: The Modern Mira-
cle of Comfort," containing instructions on how to
select oil heating equipment.

Name _____ Address _____
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The Shock Troops of Business

BY MERLE THORPE

I WENT into a shoe store the other day to buy a pair of shoes. The clerk, not knowing his customer was a poor editor, brought out a fine pair priced \$14.

To try him out, I exclaimed, "Fourteen dollars! That's highway robbery. How do you get away with it? I know that a farmer gets only eighty cents for a hide and no worker gets more than \$5 for making a pair of shoes. It's scandalous!"

Did the clerk tell me that he had other shoes—good shoes at \$6 and \$7—but that this pair was the finest product that American ingenuity could produce? Did he explain that an expert had to sort over 1,000 hides to find the one hide from which these uppers could be cut?

Did he tell me that such quality shoes had a limited market; that styles change; that extra money is tied up, and indicate the twenty other items of legitimate cost that enter into the consideration of the selling price of a \$14 pair of shoes?

Did he? No, you're right, he didn't. He said the manufacturer was the cutthroat, that he was "holding us up."

The retailers are the shock troops of American business. They stand, a thin line, between the great consuming public and an industrial system, intricate, growing more complicated every day, with its maze of machines and men, transportation and warehousing, credits and insurance and financing—and government.

Our business life is less and less understood by the man in the street. Misunderstanding breeds suspicion; suspicion brings incrimination and re-
 crimination, bitter reprisals.

What a fertile field for the demagogue to arouse public clamor against a corporation, an industry, or indeed, against business itself! What an opportunity to foment agitation for government operation with its attendant bureau-

cracy and loss of individual endeavor!

All of which is bad for business and bad for the public.

H. G. Wells looks at our fast-growing, complex industrial life, and wonders if our mass intelligence will keep up with it. He declares it will be a race between catastrophe and education.

Across the counters of the land, opportunity is big for spreading a better understanding of business. Why a 1,000 per cent mark-up? Why a \$150 gown for \$32.85? Why gasoline today at 19 cents, tomorrow 22 cents? Why domestic lighting at seven cents a kilowatt and industrial power at two cents?

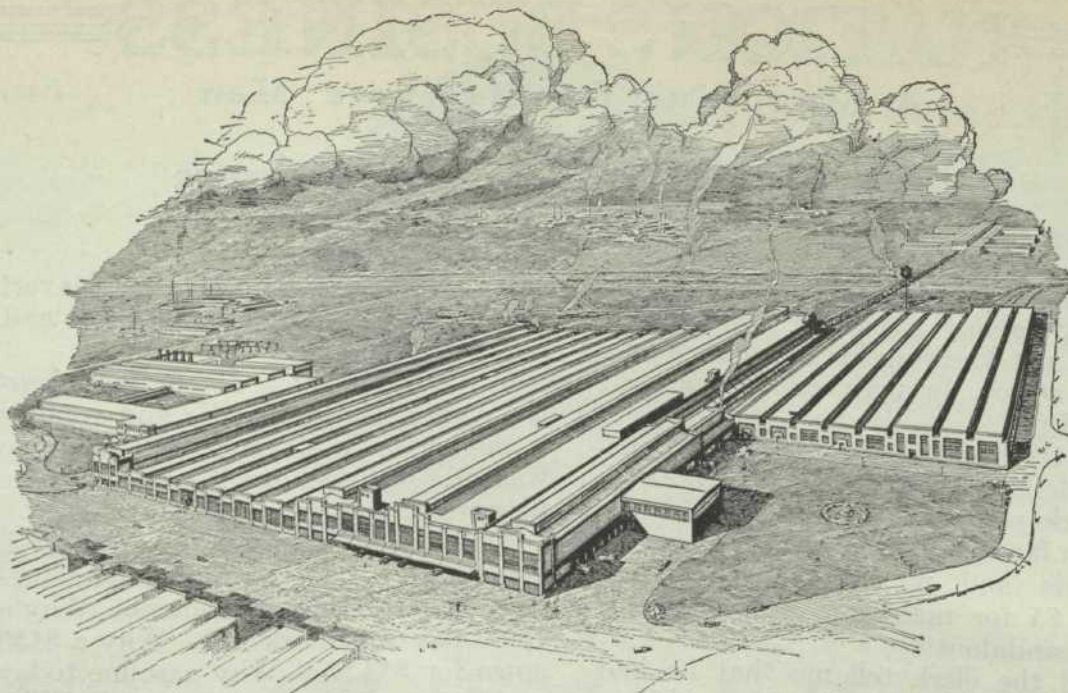
It means a higher intelligence on the part of the shock troops; it means a greater responsibility on the part of management to provide training for the shock troops.

Patience, tactfulness, a willingness to explain it over and over again, an eagerness to teach and make clear, an honest sympathy with the job itself, a loyalty to the firm, a confidence in America's industrial system—all qualities necessary to carry on in the race between education and catastrophe.

Behind the lines, from General to the last man in the service of supply, there should come unremittingly to the shock troops a constant flow of ammunition—information, and mutual help—weapons with which to carry the objective, complete understanding.

Understanding is the root from which confidence springs. And confidence, one man in another, is the basis upon which the great structure of American prosperity has been reared. Retail salespeople are the trustees of our business idealism; they are the missionaries from whom the public gets its first, and, unfortunately too often, its only picture of the complicated mosaic, at once beautiful and useful, of our modern economic life.

They are the shock troops of American Business!



Oakland's Promise Fulfilled

New Pontiac Six Plant Ready to Deliver 1000 Cars a Day

ALREADY operating at maximum capacity last spring, the Oakland Motor Car Co. Division of General Motors Corporation found it impossible to fill the increasing orders for Oakland Cars, while the instant and overwhelming demand for the new Pontiac called for the construction of a separate and complete plant for this popular priced Six.

The contract for the \$15,000,000 building program decided upon—representing the combined cost of the new 1000-car-per-day Pontiac plant and of important expansions in the facilities devoted to the manufacture of Oakland Sixes—was awarded The Austin Company, including design, construction and equipment.

Starting in August, with roads and sewers to be built, as well as buildings, on a tract of rolling land, Austin handled the entire project with such speed and thoroughness that in seven months Pontiac Cars were going down the assembly line in the new plant.

No word description or artist's picture can convey an adequate idea of the immensity of this plant, with its 35 acres of floor space, or what it meant to design and build it complete in seven months' time. Suffice it to say that Oakland is now prepared to meet the demand for Pontiac Sixes, and Austin is proud to have had a major part in this great enterprise.

THE AUSTIN COMPANY, Engineers and Builders, Cleveland
 New York Cincinnati Chicago Detroit Pittsburgh Philadelphia St. Louis Seattle Portland Miami
 The Austin Company of Texas: Dallas The Austin Company of California: Los Angeles and San Francisco

AUSTIN

Complete Building Service



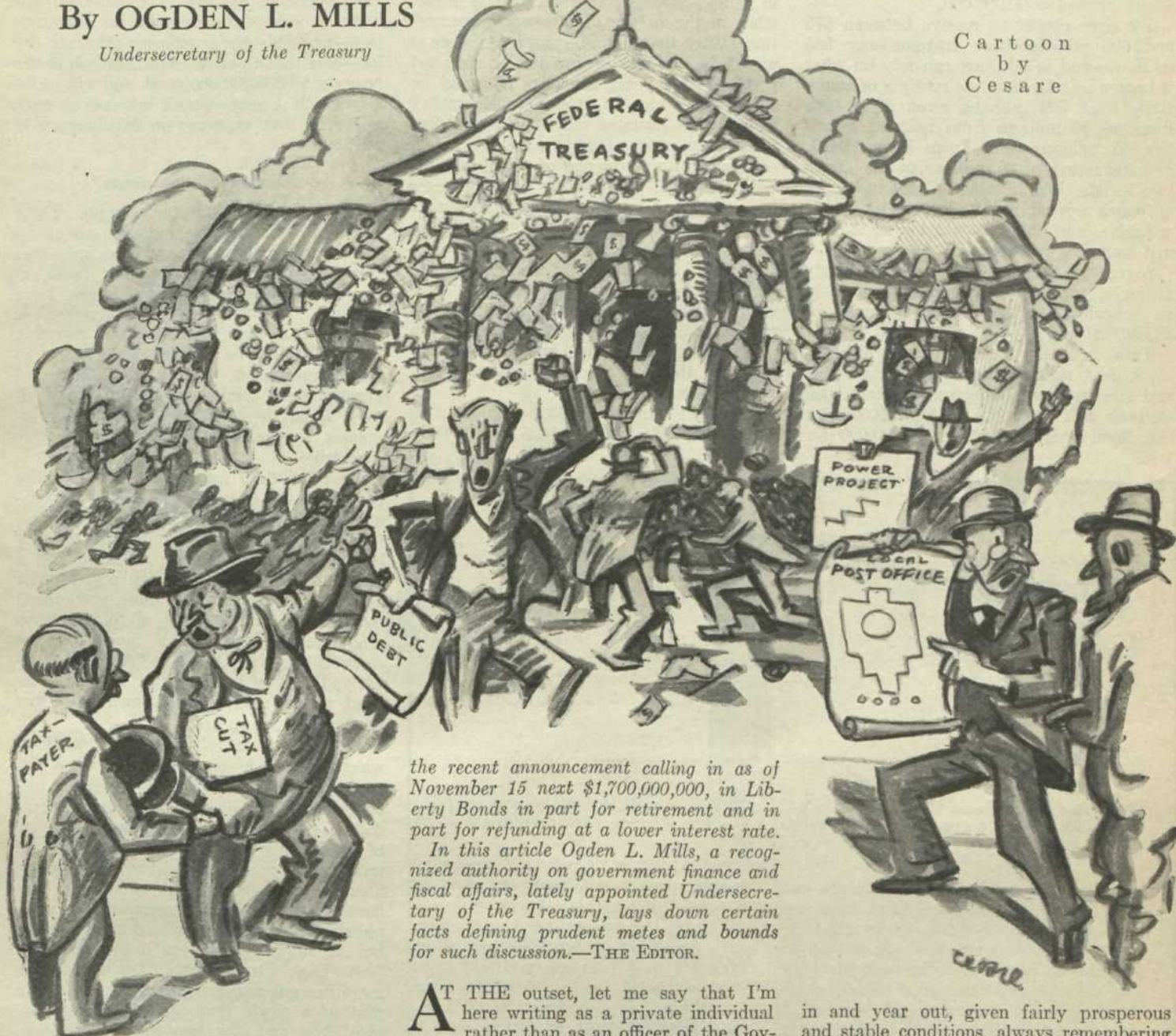
When writing to THE AUSTIN COMPANY please mention Nation's Business

Cut Taxes, Pay Debts, or Spend?

By OGDEN L. MILLS

Undersecretary of the Treasury

Cartoon
by
Cesare



the recent announcement calling in as of November 15 next \$1,700,000,000, in Liberty Bonds in part for retirement and in part for refunding at a lower interest rate.

In this article Ogden L. Mills, a recognized authority on government finance and fiscal affairs, lately appointed Undersecretary of the Treasury, lays down certain facts defining prudent metes and bounds for such discussion.—THE EDITOR.

WHEN Congress reassembles in December, the Treasury surplus—that is to say, the surplus that it is estimated will be in the Treasury at the end of the fiscal year 1928—and the entire scheme of federal revenues and taxation, will be under fire. There's no dearth of suggestions for the disposal of the surplus.

Some say let's spend it; spend it for extensive public improvements; let's reclaim our waste lands, let's extend our inland waterways.

Another group says let's give the surplus to the taxpayer as a tax cut.

Still another group says let's use it to pay our national debt, pointing to the Treasury's distinguished record in debt retirement, the latest evidence of which is

AT THE outset, let me say that I'm here writing as a private individual rather than as an officer of the Government, and let there be no misapprehension of the fact that in so far as I make observations they present my own individual views. We are approaching the end of the first full fiscal year during which the Revenue Act of 1926 has been in operation. Moreover, with the March returns in, we are in a position to begin to estimate its yield as applied to the income of two calendar years—1925 and 1926—both of them years of satisfactory prosperity.

I do not know that there is such a thing as a normal business year; consequently, it is somewhat hazardous to speak of a normal income tax yield. But it occurs to me that it might be interesting, by eliminating certain temporary factors, to attempt an estimate of what the Revenue Act of 1926 will yield on an average, year

in and year out, given fairly prosperous and stable conditions, always remembering that the estimate cannot in the very nature of things be more than an approximation, and that a decrease of as little as 12 per cent in business activity would result in a variation in tax receipts of as high as a quarter of a billion dollars.

It is estimated that the income tax for the fiscal year ending June 30 next will amount to about \$2,215,000,000, which, I believe, is a reasonably accurate figure, and that for the year 1928 it will be somewhat less, though the latter date is still too distant to permit a safe prophecy. But these figures include in 1927 some 280 millions of back taxes, and in 1928 some 180 millions. With the final settlement of the war taxes, back taxes will tend to diminish until it is hardly likely that we can look to them for more than 100 to 125 million a

year. Taking this into consideration, it appears that our so-called normal income tax yield under our present law will be about \$2,050,000,000.

Miscellaneous internal revenue receipts will aggregate this year about \$620,000,000, but, with the gradual diminution of estate tax returns, will probably fluctuate somewhere around \$600,000,000.

We may expect to receive between 575 and 600 millions from customs—say 585 millions—and in addition can rely on what is known as miscellaneous receipts of something over 500 millions, even after such items as 50 millions from railroad securities, 61 millions from Farm Loan Bonds, and the return of 25 millions to the Treasury by the War Finance Corporation, all of which appear this year, are no longer available, and they are for the most part non-recurring resources.

Assuming these estimates to be fairly accurate, we may rely, roughly speaking, on so-called normal total revenues of \$3,750,000,000.

Total ordinary expenditures, which include debt retirements from sinking funds and foreign repayments, were estimated in October last at about \$3,643,000,000 for this fiscal year, and at \$3,572,000,000 for

1928, which last, if Coolidge economy is to continue to prevail, more nearly corresponds to what I termed "normal" in dealing with receipts.

This would mean, without allowing for contingencies, new activities or increased appropriations, a normal surplus of approximately \$175,000,000. It must be kept in mind, however, that all this is somewhat in the nature of interesting speculation rather than definite prophecy, since it would be as unwise for me to forecast revenues two years hence as it would be for business men to attempt with finality to say what business will be in 1929. But please also note, when you see the actual surplus figures at the end of this fiscal year (June 30, 1927), that they include items aggregating as much as 280 millions that in the course of a year or two will no longer be available.

Of late, the administration's opponents have sought to decry its economy program. There is one figure which tells the tale, that is, all expenditures other than public debt retirements, but including interest on the public debt. That total is a veritable barometer.

In 1923, they were \$3,294,000,000; in 1924, \$3,048,000,000; in 1925, \$3,063,000,-

000; in 1926, \$3,097,000,000; in 1927, estimated, \$3,077,000,000; in 1928, estimated, \$3,008,000,000.

When it is recalled that during this period there were all manner of new burdens to be shouldered, including one item of \$200,000,000 a year for veterans of the World War; another adding \$37,000,000 to Civil War and Spanish War pensions; another of \$15,000,000 increase for construction—and this by no means exhausts the list—and that total expenditures still hover near the \$3,000,000,000 mark and will probably reach it next year, it becomes at once apparent that economy in Washington is no fiction.

What Is Being Done

TAKE the year 1926, for example. These additional burdens amounted to \$265,000,000. Yet actual expenditures increased but \$34,000,000. On the other hand, of course, lower interest charges, due in large measure to a wise policy of debt reduction, have been of material assistance. But this, too, can fairly be claimed as evidence of good management. In any event, the feat of absorbing by administrative efficiency almost all of these unexpected and large increases is significant; I might say quite conclusive.

Under modern conditions, and with the growth of the country, the cost of government everywhere shows a constant upward tendency. Just to maintain the existing level requires unremitting industry and a constant effort to absorb the cost of new activities by better and more economical methods of administering all of the governmental business. It is much like the story of the Red Queen in "Alice in Wonderland." You have to run very fast, indeed, in the field of government cost just to stay where you are.

To grasp more fully the significance of what has been accomplished one needs but compare the Washington government's record with those of state and city governments. In Albany, for example, in spite of borrowings running into hundreds of millions to meet expenditures heretofore financed from current revenue, not only have constantly rising revenues been completely absorbed by increased expenditures, but an ample surplus has been wiped out. New York City's budget begins to look more like our national pre-war budget than that of a single municipality. I cite my own state and city because of familiarity with conditions that prevail.

The same tendencies are true in the matter of public indebtedness. States and municipalities are steadily increasing theirs, while the Federal Government is reducing the federal debt, year by year. This program of steady debt retirement is in accordance with the historic policy of the national government. The record is sufficiently clear and speaks for itself.

But that does not mean that debt reduction was inevitable and practically automatic. In the course of the last three years, on three separate occasions, either a further reduction of taxes, so as to make debt reduction from surplus impossible, or an extension of the life of the debt sixty-two years, has been urged.

In the recent session of Congress, mem-



The Washington Monument, designed by Robert Mills. Begun by popular subscription, it stood unfinished for more than 20 years. In 1876 Congress ordered it finished

bers of the House introduced and vigorously supported a measure the effect of which would have been to limit debt reduction to the sinking fund and foreign repayments. Debt reduction was not automatic. It didn't just happen. It was brought about by a policy steadfastly adhered to.

Let's take a closer look at this most recent Income Tax Law.

We find, in the first place, that some two million fewer individuals pay a federal income tax than did under the 1924 act. Income taxpayers are becoming a comparatively limited company—some 2,400,000 out of a population of approximately 116,000,000. And of these 2,400,000, ten thousand individuals pay half the tax, or as much as all of the other 2,390,000.

The Biggest Taxpayers

ACCORDING to preliminary returns, .29 of 1 per cent of our population pay over 95 per cent of the individual income tax; 17 per cent pay less than 5 per cent, and the remaining 82 per cent pay no income tax at all.

Moreover, the rates in the lower brackets are very low, indeed. According to the returns for the calendar year 1925, the average tax upon those returning net income of from \$5,000 to \$10,000 was .58 of 1 per cent.

It is possible to visualize the steady reduction of taxes by a comparison of the amounts paid under each of the last three revenue acts. Under the 1918 Act, a married man without dependents and without deductions, with a net income of \$4,000 a year, paid \$80 in taxes; under the 1921 Act, he paid \$60; under the 1924 Act, \$22.50; and under the 1926 Act, \$5.63.

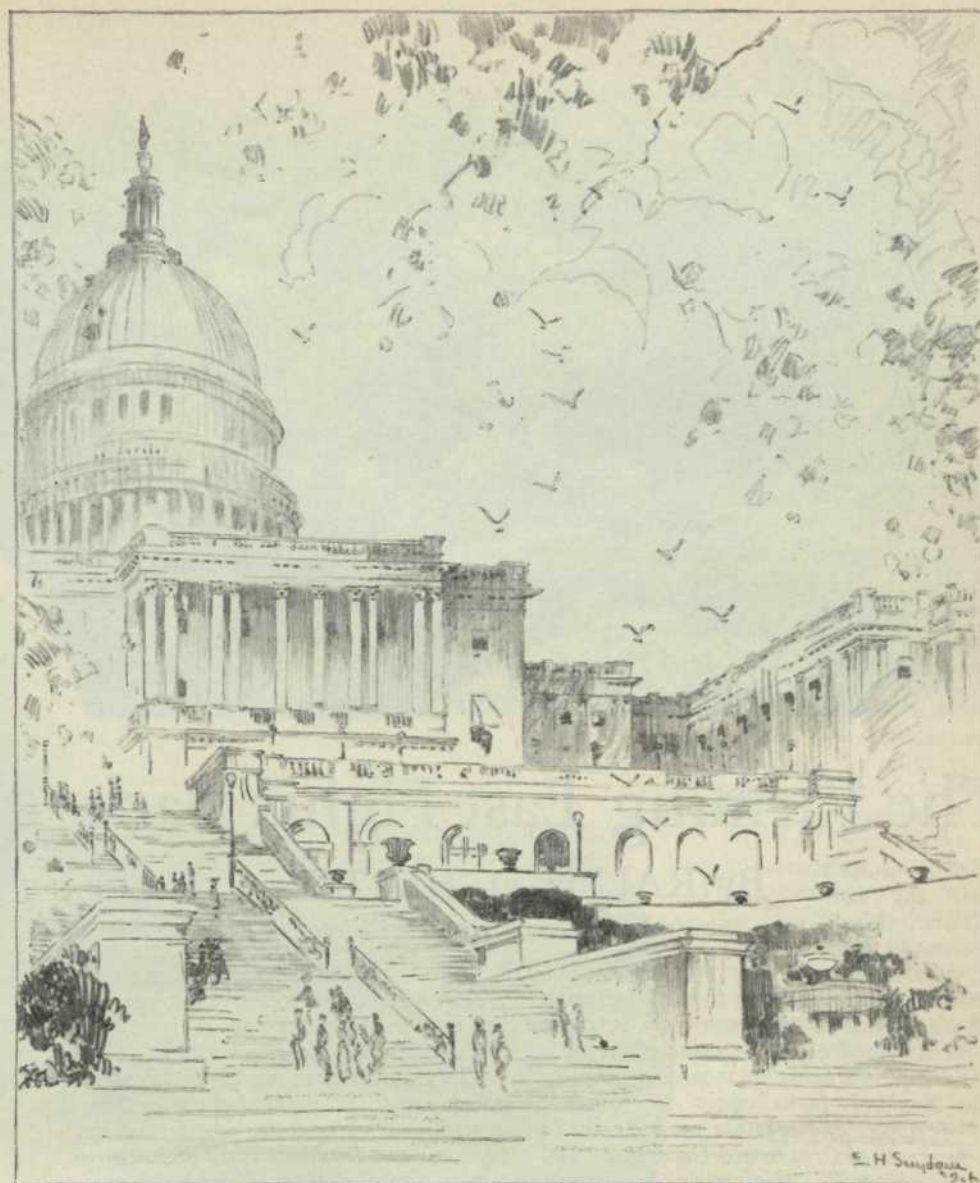
It is obvious from these figures that a further increase in exemptions or lowering of the normal rate will so limit the application of the income tax as to result in a pretty complete abandonment of the theory that taxes should be levied in accordance with ability to pay.

It will be contended, of course, that the 600 millions of custom duties and the 500 millions and more, exclusive of the estate tax, of miscellaneous internal revenue receipts are consumption taxes paid by all, and that they tend to equalize the burden. This is, of course, in a measure true.

Those Who Favor Tax Cuts

BUT I have observed that the most vociferous advocates of increased exemptions and of a constant limiting of the number of income tax payers are also the champions of reduced import duties and of the repeal of the excise taxes. Their ideal of a tax system is an inverted pyramid resting on its point, rather than a symmetrical structure with a broad base, supported by pillars varying in size in accordance with the ability of each citizen to contribute to the support of his government.

In so far as the large taxpayers are concerned, it is interesting to note that the reduction of the very high surtax rates was followed immediately by a notable increase in the number of individuals reporting in each class. Thus, the number of returns of income in excess of \$100,000 increased



DRAWINGS BY SUYDAN, COURTESY SOUTHERN RAILWAY

The United States Capitol, begun in 1793. The structure as it now stands was completed in December, 1864, when Crawford's statue, "Freedom," was placed on the dome

68 per cent; in excess of \$300,000, 104 per cent; and in excess of \$1,000,000, over 179 per cent. This was accompanied by an increase in taxes paid by these groups. Incomes of \$100,000 and over paid \$58,000,000 more at the low rate than at the high one; of \$500,000 and over, paid \$31,000,000 more; and incomes of \$1,000,000 and over, \$20,000,000 more at 20 per cent than at 40 per cent.

It is too early to say, "We told you so," since the growing prosperity of the country was an unquestionable and weighty factor; but certainly the charge that the interests of the Treasury were being sacrificed in the interests of the rich has collapsed under the weight of its absurdity. And, irrespective of the returns of any given year, all experience shows that more can be collected at a reasonable and fair rate than at an exorbitant one.

But there is one situation which I believe calls for remedy. The corporation tax rate is out of line. I am not reasoning so much from the viewpoint of the corporations, which, on the whole, appear to be prosperous, though, if we include taxes

paid states and local units, they are undoubtedly bearing a heavy burden. In 1923, for every dollar paid stockholders, the various governments received 62 cents. But I am thinking of the small stockholder of moderate means, and of the stockholder of moderate means even if his stock holdings in a small corporation are large.

The matter is of real importance because of the present widespread investment in corporate stock on the part of millions whose income is strictly limited. Falling as their income does in the lower brackets, they would not be taxed were it derived from personal exertions, from real property or from other sources, at more than 1 per cent or 2 per cent; but, through the corporation their proportionate share in the income of the latter is now taxed at 13½ per cent. Formerly, when the normal tax rate and the corporation rate were the same, the exemption of dividends from normal tax took care of this situation. But this is no longer true.

It is not my present purpose to suggest a remedy, but to call attention to a situation that demands thought and study.



The Farming East Fights Back

The "industrial East," the "agricultural West." How many times we hear these

phrases. Yet Iowa turns to manufacturing and New York in 1925 was sixth in value of livestock and eighth in value of crops.

And as Iowa turns to manufacturing, so New England turns again to farming. Yankee apples and eggs are ready to battle the products of Oregon and California. Dr. Hetzel, who writes this article, has known and worked with the farmer from coast to coast.

By RALPH D. HETZEL

President of Pennsylvania State College

of all mankind against natural forces to ever turn against one another.

Nevertheless real sectional differences exist, and for the present at least, there seems a conflict of interests.

The country is so vast, that a national policy must always deal more or less in generalities. When the attempt is made to combine viewpoints to satisfy every section, only a blurred image seems to result.

Politics, in general, shows plenty of evidence of a sectional alignment.

Agriculturally, the conflict of interests is even more clear cut. We have proved that farmers can cooperate to advantage in drawing up state programs. They can combine over whole regions to sell their raisins, or their apples, or their tobacco, and under the right management and normal conditions can prosper by such a working together. A wide-spread industry like dairying can well afford to pool its advertising money; and here and there—all over the country—there has been more and more of a tendency to draw together regardless of state boundaries.

Nation-wide Farm Problem?

FROM this it has seemed quite natural to believe that a nation-wide agricultural program could be worked out; and a brave attempt has been made by the American Farm Bureau Federation along this line. In fact, it has been astounding to see how much headway could be made when farmers from South and North, East and West met around the same conference table. Yet they have had to face the fact that sectional competition is a real thing.

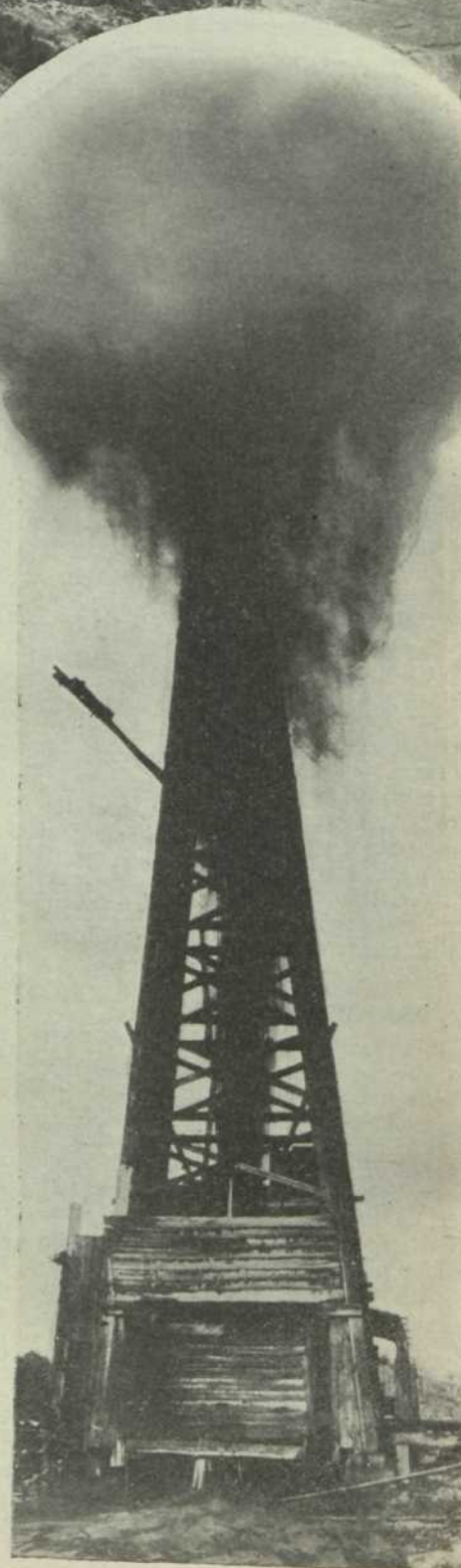
The Western grain grower, anxious for higher prices, has had to realize that one of the largest customers from whom this

—THE EDITOR

IS THERE an unavoidable conflict of interests between the Eastern and Western farmers? Are, for example, the apple growers of the Pacific coast and of the Northeast in a hand-on-throat competition that is likely to end in the throttling of one or the other? Does the bank balance of the Middle Western grain grower depend upon a high price from the grain-buying farmer of the Atlantic coast?

Do the eggs of Petaluma, the potatoes of Idaho and the lettuce of Colorado wage a silent but merciless warfare with the similar products of Pennsylvania, Maine and New York? And is this struggle reflected in opposing views on legislation, in opposing candidates at conventions of farm organizations, in opposing editorial policies among farm journals? In short, are there signs of an East and West feud?

Such questions as these may seem at first sight somewhat overdrawn. Certainly no one need be afraid that the Hood River apple orchardist is ever going to throw hand grenades at his competitor on the shores of Lake Champlain; or that the Yankee farmer will leave his plow to carry a machine gun into the Rocky Mountains! Farmers are too sensible to the eternal fight



price would be exacted is his fellow-farmer, the grain-buying dairyman of the East. The apple grower of the Wenatchee Valley, if he were bold enough to seek lower freight rates, could hardly expect the New England producer of McIntosh apples to cooperate sympathetically in a move that menaced by that much his nearby markets.

Cross Current of Interests

THIS does not mean that farmers should not continue to attempt to find a common working basis. They undoubtedly should; but we may as well admit that the interests of one section often seem to run counter to those of another. One cannot say in such cases that the East is right, or that the West is right. It is simply a difference in viewpoint. I have found my own views on questions such as the tariff insensibly changing in the East as compared with what they were in the West. I did not will it that way. I could not help it.

One cannot live the life of the people of a country without absorbing more or less their views. Unconscious influences are at work. It is sometimes difficult for the average person to tell where the public's eyesight leaves off and his own begins.

This difference in viewpoints between the East and the West may be accounted for, without doubt, principally on economic grounds. We are in a period of far-reaching readjustments. We have come to the end of the period of primary expansion. Throughout the last century population drifted steadily westward. We rushed West for gold; we rushed out for copper; for agricultural land; for timber; for oil. And every time the West was good to us. To be sure, there were many failures, but in general, the results fulfilled expectations. There was much better than the ordinary gambler's chance. As a result it got to be a habit of thought that "Ad-

venture will receive its reward in the West." Today in real life—perhaps as distinct from real life—there are signs of reaction.

In the past the tremendous natural resources of the West were like so much cream waiting to be skimmed. Gold was running away in the streams. Copper and oil were near the surface. Virgin growth timber filled the forests. The fertile soil needed only the plow. The best of agricultural land could be had at a very low price—at first, simply for the staking.

Not only has the West had the advantage of its great natural resources; it has had a more hopeful, more stimulating psychology—the psychology of a newly developing country. Take the same man who in New England would sense his limitations, would work along at a pace not too fast, would assume few great risks. Then put him in the West and he would become a different person. I have seen several such cases. The sky became their limit. Their very hopefulness made them irresistible. They dreamed great dreams and made them

come true. It was only natural, therefore, that the West became a young man's country. Most of the farmers with whom we used to conduct agricultural extension work in Oregon were under forty-five.

There has been a lot of yeast in the West. That section has grown rapidly—perhaps not more rapidly than conditions warranted; but it is now becoming of age. This does not mean that there will be no more development; but it will be of a different kind. The reward now comes more slowly; it involves the greater use of capital; individual enterprise no longer works the wonders that it has in the past. In other words, the West is still a wonderful country, but it is no longer a magical one.

A Battle of Methods

NOW WE are facing a new era so far as the sections of the country are concerned. The West no longer has the advantage of untouched natural resources; it must more definitely compete with the East in methods—the methods of a more settled community. For instance, the farmers of the West used not to have to think of fertilizer. Now that margin of advantage has disappeared. The investment in land was small in the days of the homesteaders; but land prices have steadily gone up—and, of course, the artificial boom of the war made them that much worse. The impression that land in the East is run-out is not correct; yields of crops per acre even tend to run higher because of intensive cultivation.

Of course, many of the so-called abandoned farms will still revert to woodland where they are too stony or too far from the railroad. But here, too, as well as in the West, conditions are changing. It is true

"We rushed West for copper, for gold, for oil, for wheat and lumber"



that one notices at once the difference in age of farmers in coming from the West. Census figures show that no other section of the country has such a high percentage of farmers over 50 years of age as New England, but this is a condition that will undoubtedly be corrected. Already the signs of an infusion of younger blood may be seen. One of the boys who graduated in 1920 at the University of New Hampshire went home and turned his father's small poultry plant into a 200,000-baby chick farm. He is doing a bigger business now every year with baby chicks than the whole state did a few years ago.

Another young man is taking hold of a 5,000-tree orchard. Still another is operating a 60-acre potato field, although his neighbors considered ten acres an unusually big patch.

East Grows in Farms

THESE are only a few examples. There are many more that indicate that the tide is turning. In the last few years the East has been rapidly adopting more efficient methods of agriculture. Take fruit growing. The orchard sites are being selected more carefully; improved systems of pruning, spraying, grading and packing are being pursued. Four years ago there was not a power grader in New Hampshire; since then ten have been installed. Cooperative packing plants are springing up. A-grade Baldwins and McIntoshes from New England orchards are beginning to command a premium on the apple market. I heard one of the Boston commission men tell a group of fruit growers the other day: "Just as fast as you give us McIntosh like these, we will guarantee to push the Western fruit off the market."

Similarly in dairying. There are intensive campaigns on among the farmers of the East for the growing of more leguminous crops, in order to reduce the grain bill. When a speaker says that for every 100,000 cows we need 100,000 acres of alfalfa, nobody in the audience faints away. Farmers' exchanges to buy feed and fertilizer more economically have been astonishingly successful. Better stock is being introduced.

A great many people have been going into poultry, and none half-heartedly. The recommendations of the poultry specialists on house construction, feeding, breeding, and marketing are being followed as carefully as market quotations.

In potatoes the northeastern states now have the highest yield per acre in the country. The growers are demanding certified seed, are learning to spray and dig with power machinery. All along the line the Eastern farmer is speeding up; and as he does so, he is reclaiming part of the markets which the West had taken from him.

That has been part of the Western necessity—to invade aggressively the markets of the whole country. So long as it was a question of large-scale production versus inefficient hand work, the advantage lay entirely with the West. A recent report of the Oregon Agricultural Economic Conference, prepared at the State College, is quite illuminating along this line. Here is a quotation from it regarding their statewide survey of conditions:

"The survey showed that agriculture in

Oregon needs direction; that this agriculture has developed largely under the urge of natural conditions without due regard to factors that govern marketing; that Oregon is a state of limited population and is well suited to the production of a wide variety of staple and special crops; that we are far removed from great consuming markets and that we must consider not only what we can produce but what we can sell profitably; that agricultural production and marketing is no longer a local or state matter, or confined to one nation, but that the whole business of agriculture is becoming more complex and exacting."

Similar statements might well be made for most of the other sections of the far West. They would all emphasize the necessity of great care in future development to avoid crops where the advantage is at all uncertain.

It may be going too far to say that the West has capitalized on the lack of initiative in the East, although in the case of some crops and some localities that has been true. With other crops the West has been on perfectly safe ground. Probably the great bulk of the grain will always be grown in the West as well as most of the meat and wool.

Diversification Needed

ON THE other hand, there is danger in a one-crop system of farming, as the regions that have specialized on logical crops such as wheat in the West, and cotton in the South can testify. In order to make the best use of time and land during all seasons of the year, farmers cannot specialize to the extent that manufacturers can. They have to diversify their business. In so doing, the West and South have been developing dairy cows; and in the process they have upset the butter market of the East.

They are threatening to take over the egg industry in the same way.

It may be asked whether the producers of the competing sections are not in the grip of great economic forces as powerful and as merciless as the West Indian hurricane. If the northeastern apple grower puts the northwesterner out of business, it means ruined homes, neglected orchards, more or less bankruptcy, and various forms of suffering. If the Middle West should force down the price of eggs so that the Eastern poultryman could not make a profit, it would mean rows of vacant hen-houses, spoiled capital, blasted hopes. No group would have realized that its own ambition was bringing such consequences in its trail, yet the effect would be there none the less.

Is there any way of controlling or modifying these economic movements? Some such desire has been behind the various "state agricultural programs," which many of the state colleges have developed during recent years. Of course, they are concerned with the interests of a particular state—selfishly concerned, one might say; but they do attempt to take market conditions in general into account. Provided that these programs are soundly drawn and are generally followed, they should result in a more stable agriculture, and they seem to constitute our best hope at present.

Of course, there are many difficulties.

Shifts in economic conditions in other countries, upsets in our own industrial life, new inventions and new techniques in agricultural production, changing food tastes and demands—any of these factors may interfere with the most carefully drawn program.

A Shifting Trade Picture

THE economic world does not always stand still to have its picture taken; and a program drawn for one year may be somewhat askew the next. A few inventions such as the steel-faced plow, the reaper, binder and thresher revolutionized the agriculture of this country in the last century and made possible the opening up of the great West. The demand for salads in the diet has multiplied by six the shipments of lettuce over what they were ten years ago. If France and Italy cease to import wheat because of the credit situation, America's profitable acreage is automatically reduced.

If labor goes on a strike, or is turned away by idle factories, it cuts out more expensive foodstuffs and buys the cheapest existence possible.

On the other hand, it is true that economic revolutions do not usually upset agriculture over night. They do not smash so suddenly as hurricanes. There are buffers of storage, credit, and newly developing markets; besides, people change their methods slowly. It took fifty years for New England agriculture to be bled white by the shift to the West, and now that the blood is beginning to show red again in the East, it will be many years before the full flow is reached.

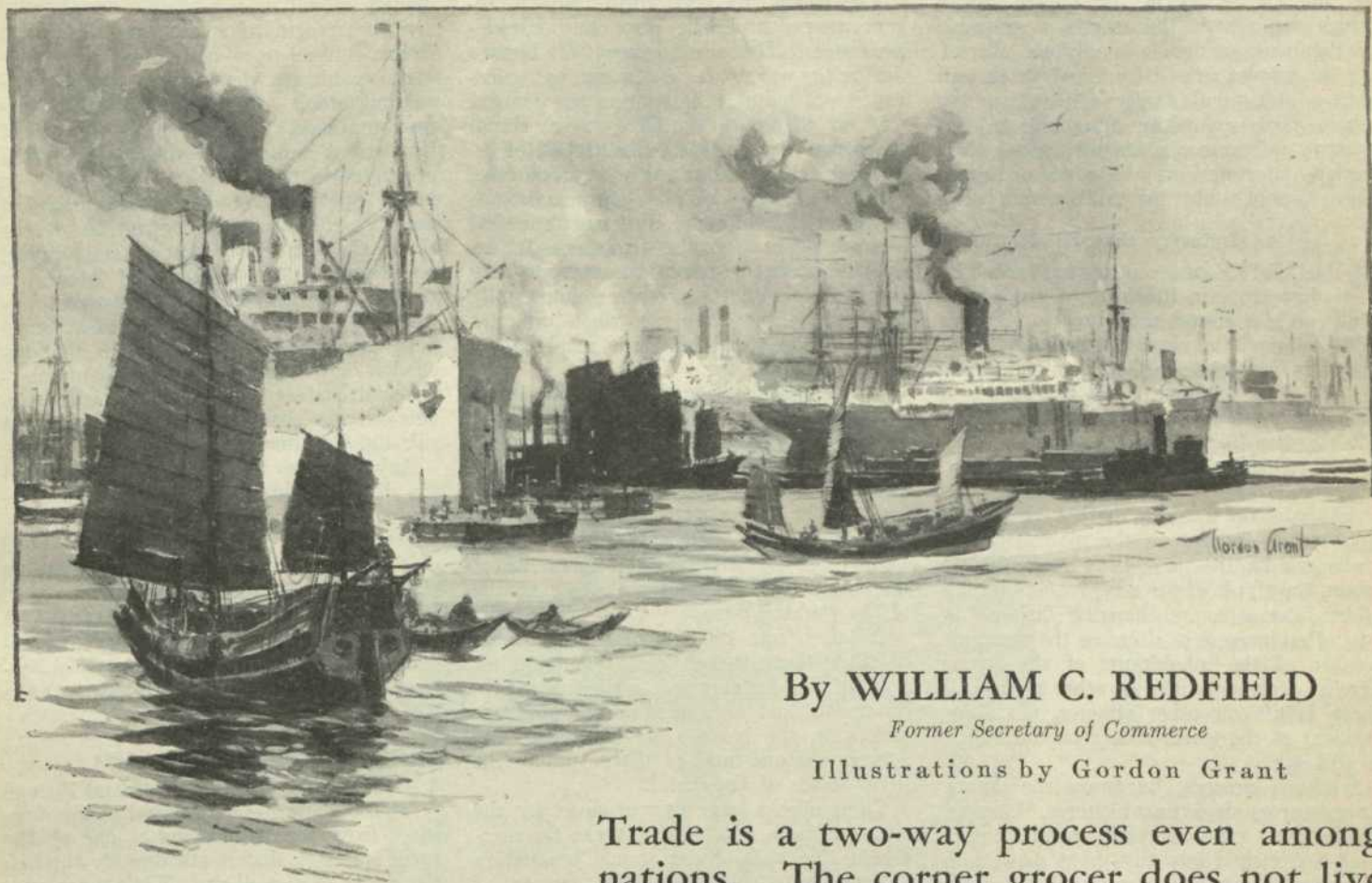
There is also hope that farmers in the different sections will eventually cooperate with one another in a more sane control of production. The present growth of the cooperative spirit among farmers is astounding to one who knew the conditions of twenty years ago. About one-fifth of the total agricultural business of the country in 1925 was transacted by cooperative buying and selling organizations. On the other hand, it is difficult at present to get even the dairymen of Vermont and New Hampshire to agree on the complicated problems of milk marketing; it would be probably impossible today for the apple growers of the Wenatchee Valley to agree with those of Western New York.

Foods Fight Each Other

THEN, too, we must remember that there is considerable competition between different kinds of food products, between oranges and apples, for example, and between milk and meat. It is rather inconceivable that the citrus growers of California and the apple growers farther up the Pacific coast should draw up at present any gentlemen's agreement. That day may come; it may be a step ahead which we cannot yet see. Of course, cooperation among farmers lags behind that of industry, for such obvious reasons as the number of people engaged in agriculture, and the isolated position of individuals.

And when one speaks of such a far-reaching cooperation among producers, it is as easy to go a step farther and think of the possibilities of cooperation among producers and consumers.

China's Silks and Iowa's Pigs



By WILLIAM C. REDFIELD

Former Secretary of Commerce

Illustrations by Gordon Grant

Trade is a two-way process even among nations. The corner grocer does not live by selling alone, nor does a country

If China and India should adopt a gold standard, the results would be reflected in changed conditions in every land

PROBABLY less than one-half of 1 per cent of us know that the 200,000,000 or more pairs of artificial silk hosiery, the millions of yards of rayon fabrics, and the tires for the automobiles which transport the wearers of the hosiery around the United States are responsible for an era of agricultural prosperity in Egypt unequalled since the days of the Pharaohs, while no more than that realize that the present political disturbances in China adversely affect every American user of paint.

Yet these widely separated industrial or political causes and effects, with other hundreds like them, are often as closely related as the economic phenomena of a small town unit. The great fabric of interdependent international interests, with its far-flung threads of supply and demand, fluctuating and eddying as a result of changing conditions, politically, socially, or otherwise, is now so finely knit together that no countries nor no men can live any more "unto themselves alone."

The relationship between Egyptian prosperity and the wide use of artificial silk products and automobile tires, although the respective economic phenomena are thousands of miles apart, is easily explained. Long staple cotton, grown most successfully in the valley of the Nile, is an important fiber in the manufacture of syn-

thetic silk, now widely known as rayon.

With that industry assuming such proportions—now ranking third among the five primary textiles—the Egyptian farmers, supporting a population of approximately 14,000,000 on an agricultural area little larger than the State of New Jersey, got a new lease on life, the first one since the days of King Tut, for farming had been carried on there for more than 3,500 years in much the same precarious fashion. High wages in this country, and the universal desire for silk or a substitute therefor, have completely transformed the lot of the Egyptian in the past decade, as he supplies his long-staple cotton fibre.

Cotton as an Aid to Egypt

THEREFORE depending on the spring-time overflow of the Nile for irrigation and fertilization of the soil, which resulted in either feast or famine years, this new outlet for their principal export crop warranted the building of the great stone dam at Assuan, with other scientific steps in the culture of cotton which have completely revolutionized life in Egypt, giving comfortable living to two there now where only one eked out a poor existence before.

Chinese wood oil, or tung oil, on the other hand, is the base of most modern waterproof, quick-drying varnishes, and is

also used in printing ink. While only a small quantity of it was imported into this country a decade ago, over a hundred million pounds are required in American industries each year now. In fact, there is hardly a home in the United States that is not indirectly affected by the shortage in this product due to the political disturbances at Hankow, China, where this oil is made in primitive presses and whence it is shipped hither. That is true also of other Chinese commodities, such as carpet wool, bristles, furs, tea, dried eggs, feathers, and particularly antimony, the regular supplies of which we are more or less dependent upon, and which are now more or less interrupted by the chaotic conditions prevailing there.

The interdependence of international interests in the two cases above cited is specific and clear, although the related economic phenomena go halfway around the globe to meet. There are others, too, equally as outstanding, and thousands of lesser intertwining connections which make the whole world kin.

In our narrow circles, accustomed to the free flow of international commodities, we sometimes get the idea that we can live without foreign intercourse, but a political upheaval in Brazil might cut off our supply of coffee, trouble in India might deprive us

of tea and spices, jute, shellac, and other products, while something happening in the rubber growing areas of the world would throw a monkey-wrench into our great automobile industry. There is hardly a person or a business in the United States which can escape the results of unstable political or economic conditions abroad. As the ripples caused by a pebble thrown into a still pond finally widen over the whole pool, unhealthy situations in one country spread to another with which their major interests are entwined. Recent sharp rises of rubber prices is a case in point.

An Industry that Died

A QUARTER of a century ago India's indigo crop, in the form of crude dye-stuffs at \$4 a pound, amounted to \$20,000,000; today that industry is no more. Synthetic indigo, made in Germany and selling for 20 cents a pound, with one stroke of chemical inventiveness took that much annual income from the natives of that country 10,000 miles away.

When Great Britain dumped her war-stocks of wool on the market there was not a sheep-herder on the plains of Australia nor on the pampas of Argentina to whom the ripple of price-depression did not widen, the same as changing fashions in furs often increase or decrease the economic welfare of the inhabitants of the Arctic Circle. Only creatures of other planets, if there is life on other spheres, are independent of the world-wide economic fabric of this age.

Bankers, grocers, hardware merchants, drug stores, department stores, farmers, wholesalers, retailers, and manufacturers—all are sucked into this great maelstrom of interdependent international interests, although many of us hide our heads like an ostrich from the fact. Russia is a typical example of a country in which the principle of economic isolation has been tried, without much success.

Another very specific illustration of this subject is the extensive effects of the British coal strike. To other coal-producing countries that gave a marked temporary stimulus to mining and shipping but otherwise caused industrial unsettlement. Poland's coal-mining industry, for instance, was then pushed to record production levels, altering the whole aspect of business in that country, affecting Belgium, France, the Netherlands, and Germany in a lesser degree the same, except more adversely from the curtailment of demand for manufactured goods from Great Britain. Spanish iron mining, which is dependent on demand from the English metallurgical trade, suffered a deep depression from an almost complete cessation of shipments of ore from the Bilbao region to England.

One's Failure, Another's Success

A CURIOUS consequence of this British coal strike, of a more or less indirect character, was the attainment of favorable foreign trade balances in Italy and Belgium for October, 1926, resulting in the first place largely from the restriction of coal imports from Great Britain. Other reasons are more complex, being partly the stimulation of coal exports, where local stocks were available, and the restriction of coal im-

ports, as well as the better export market in countries normally buying British manufactures. France was similarly affected, but a favorable trade balance for that country is no novelty.

The whole trend of world trade in recent years emphasizes economic interdependence. The unsettlement of Europe during the war, with the accompanying disruption of industry, in spite of the demand for war materials, caused a severe slump in normal world trade. Restoration of industrial activity after the war produced a reverse tendency which has continued steadily to the present time. But not until 1925—seven years after the armistice—did industrial recovery result in trade activity comparable with the pre-war volume, fully illustrating what happens when different parts of the world economic machine get out of order.

Various proposals to change the monetary standard of India show how delicate and closely knit this international fabric of interests is. As we know, India is on a silver currency basis, importing approximately 240,000,000 ounces of the metal annually, 70 per cent of which comes from the United States, Canada and Mexico, where more than four-fifths of the silver mining of the world is done.

It takes from 150,000 to 200,000 ounces of silver daily to supply the demand for hoarding in India alone, while its use in ornaments and as a medium of exchange makes up the balance of that huge total aggregating one-third of the output of the silver mines of the world.

China, also a large user of silver for the same purposes, combines to make the market for the bulk of our annual production of approximately 300,000,000 ounces of silver in the Far East. Moreover, American capital is heavily interested in the silver mines of Mexico and Canada, where most of the balance of the world's silver is produced. Mere discussion of it depressed the price of silver.

India and Silver Coins

IF THE currency of India were changed from a silver to a gold basis, as is proposed from time to time, it would probably be necessary for the Indian Government to dump something like 700,000,000 ounces of its currency silver on the market—equal to almost a whole year's production of the silver mines of the world—while hoarders of the metal would stop buying it then, too.

China might also follow suit and adopt a gold standard, as another sequel in the train of international currency events, which would well-nigh ruin the silver-mining interests of the world, paralyzing a great American industry that would have an economic reflex on all other industries, to say nothing of what it would do to Mexico, where silver-producing is such an important interest of the nation.

On the other hand, to put India on a gold currency basis would require about \$250,000,000 of that precious metal the first year, which would have to come largely from the United States, while India is already the largest importer of gold in the world, using it the same as silver for ornaments and hoarding. In the five fiscal years just preceding the war the net imports of

gold into India aggregated \$472,415,000, a yearly average of a little less than \$100,000,000. In 1925, private imports of gold bullion there amounted to a little over \$200,000,000—half the world's total production of gold.

Such imports, of course, are withdrawn from the usual uses—as banking reserves—and accordingly deplete the world's circulating stock. Thus to put Indian currency on a gold standard basis, in view of its present imports of the metal, would create such a shortage of gold that it might upset the economic equilibrium of most of the ninety-odd countries of the earth, affecting nearly every manufacturer, merchant, banker, farmer, and laborer in the whole world, while completely demoralizing the price of silver. Yet most of us have given no more thought to the discussion of that great interdependent international matter than to the relationship between the American craze for artificial silk and Egyptian prosperity.

Any changes in currency standards of the different nations, the same as changes in political boundaries, tariffs, and the like, affect others of the international fold, such as the creation of a lot of little nations in the center of Europe shortly after the war, in which they were set up on a basis of racial unity rather than economic interdependence. The more we erect artificial barriers of that sort, the more we obstruct the free flow of natural business.

A Freak Trade Incident

IN PARTITIONING out Central Europe at the Paris Peace Conference the delegates fixed the boundaries of one of the small states so that it ran directly through the center of a small city. While the inhabitants of that place had traded together without hindrance for many generations, an arbitrary political boundary set up in the night separated them from each other completely. Even the milkman lost half of his customers of a lifetime, because he could not deliver his product at their doors without paying a prohibitive duty.

The World War itself germinated in such conditions. Says Alfred Pearce Dennis, former U. S. Commercial Attaché at London and Rome, in a recent book of his:

People down in Belgrade, the Serbian capital, will tell you, with a slight touch of egotism, that the Great War originated in a local controversy over hogs. Serbia is one country in Europe where corn is the principal cereal crop and the acorns and beech-nuts in the vast forests of the country furnish excellent forage for hogs. The foundation of the fortunes of the present Serbian royal house was laid in pig-breeding. In 1906, at the instance of the Hungarian estate owners, the Austro-Hungarian Government legislated Serbian hog products out of the country, nor could Serbia ship her hog products across Austria-Hungary into Germany. All this produced acute irritation and led up to the murder of the Archduke Franz Ferdinand in the streets of Sarajevo. This in turn was the spark that fired the explosion. Here we have the deep-rooted national antagonisms as artificial obstacles to international trade.

The present complex international organization of interdependent interests is a matter of slow growth over the centuries.

Primitive man was more independent. But the ancients had few comforts or conveniences. The average middle class family of today has more luxuries than Solomon had. And to keep up our present standards of living, our dependence on foreign happenings constantly increases. Without imported castor beans or castor oil, for instance, we could not produce our beautiful artificial leathers, quite unknown in the Victorian Age, which get their fine luster and finish from an application of that product to cotton fibers. Neither could we have one ounce of attar of roses, at the price we now get it, if the peasant women of Bulgaria, remote from the complex life of the people who use it, did not laboriously pick 60,000 full-blown roses from which it is distilled.

Soil, climate, and human tastes are the varying factors underlying interdependent international interests as the texture is woven together in an economic skein that has been fabricated as fast as our knowledge and wants have multiplied. Egypt has a soil and climate which grows long staple cotton, while American women have a taste for artificial silk clothes in which this cotton is used. It is as natural for these two distant economic phenomena to get together as it is for electrons and protons to unite. World trade and other world interests are made of just such simple factors—thousands of similar illustrations, affecting us all vitally in every walk of life—functioning so smoothly that we do not even know about it until instability somewhere on the planet gives us the reverberating shock. Not nations, but millions of individuals do this exchanging.

Our Tobacco

ALTHOUGH we produce more tobacco than any other country in the world, much of what goes into our cigarettes is grown in Turkey or East Thrace, because of its peculiar flavor due to the soil and climate of that region. Englishmen, on the other hand, prefer Virginia tobacco in their cigarettes. Although automobiles are made in Great Britain, half of the business in that item there is done on American makes, our industries accordingly being affected by the hard times in the British Isles, where 1,500,000 are out of work. In normal years, American farmers raise 180,000,000 bushels of wheat that has to be sold abroad, while only 60 per cent of our shoe manufacturing capacity supplies the home demand. If for any reason the people who consume that

exportable surplus are not able to take it, the consequent depression in the shoe industry in the United States is appalling. Although we may not live within 10,000 miles of the 300,000,000 Chinese who wear smocks of black cotton, if the custom were suddenly changed the textile centers of Great Britain and the United States would soon feel the effect.

Our Customer for Cotton

BULKED somewhat larger in the picture, half of our cotton crop would be a glut on the market if it were not for the European demand for the staple. In 1924, all told, Europe took a billion dollars' worth of our raw materials, three-fourths of our ex-

ported by our imports of materials which we do not produce and which we must have for our industries. In 1926 we imported \$4,431,000,000 worth of foreign goods.

Our tremendous cotton crop is shipped in jute wrappings made from Indian jute. We are the largest makers of tinplate in the world, but we produce absolutely no tin. In 1924 we imported 73,000 tons, mostly from the Malay Peninsula, and in order to utilize this tin for making cans, containers, and so on, we also imported over 101,750,000 pounds of African palm oil from British West Africa and the Belgian Congo. Should anything happen in Africa or the Congo to stop our supply of palm oil, it would injure our tinware industry and cut down the demand for tin, which would react unfavorably on the workers in the Malay Peninsula. By throwing a surplus of tin on the market this would lower the price of this commodity, again reacting unfavorably on the tinware industry of the rest of the world.

Furniture made in Grand Rapids is known all over the world, but among other foreign materials which our manufacturers must have is shellac, of which we imported more than 24,550,000 pounds in 1924, chiefly from India.

There are approximately 18,000,000 automobiles in use in this country today and new ones of all kinds are being sold at the rate of about 4,000,000 per year. Nearly, or quite, every one of these cars runs on tires made from rubber imported from the Far East. Imagine what would happen to the automobile industry and to its allied industries, such as the tire manufacturers, if our supply of rubber should be cut off.

In order to produce our open hearth steel we require manganese which we get from Brazil, or Russia, or the Gold Coast of Africa. Without this foreign supply our vast steel industry would be handicapped, for our domestic output of manganese is far from sufficient.

The type metal in every printing office, including our newspaper offices, requires antimony, which is a product of China, and the same is true of our great telephone cables. Chromium is another essential metal which

we do not produce. It is required for colors, for tanning, and for a wide variety of uses as an alloy in steel. It comes from Rhodesia, New Caledonia, Asia Minor, Russia, and Brazil. The life of many industries is dependent on these. It is needless to say that the prosperity of our nation is inextricably tied up with our industries.



Interdependence of nations is emphasized by growth of trade since the war

ports of such goods, while that same section of the world took more than half of our total exports of several billion dollars. On the other hand, much of this merchandise is

What of the Farmer's Wastes?

WHY NOT help the farmer by finding for him a market for his wastes, for his corncocks and corn stalks, his wheat straw and oat straw?

That's a question often asked. But in giving the answer one factor is sometimes left out.

Take the case of furfural, which is used for all manner of things. It's a solvent and it's a part of a synthetic resin. Now furfural can be made from corncocks or from oat hulls. It is made from oat hulls. Why? Corncocks would seem to be more plentiful than oat hulls, and the first work on furfural was done with corncocks at the Department of Agriculture.

Furfural is made from oat hulls because there was a point at which oat hulls as a waste from another manufacturing operation were already assembled in quantity. As a by-product in the preparation of rolled oats, the Quaker Oats Company could make the cost of the raw material for furfural a mere matter of bookkeeping. Some disposition had to be made of the hulls, and they were a poor fuel. The output of furfural is still only $2\frac{1}{2}$ tons per day, but the demand for it is growing and the advantages of being first in the field all lie with the Quaker Oats Company. The hulls are no longer a problem. Several who have investigated are sure corncocks could be collected at any one of several points in a quantity sufficient to support a commercially successful furfural plant, but as yet this has not been done.

Processes for Use Ready

THERE is one of the problems in using farm waste, in widening the farm market. There are few farm wastes for the use of which a process is not ready, providing the raw material can be assembled cheaply enough at one point, and provided a market awaits the possible product.

The most difficult factors in waste utilization are emphasized when we begin to consider agriculture. First, there must be a commercial process. Second, there must be markets for the things that can be made. Third, if these two questions can be answered in the affirmative, there remains the necessity of adequate supplies of the waste in one place or a sufficiently low cost of collection. Fourth, comes the requirement of cheap and satisfactory storage from crop to crop, since practically all farm wastes are seasonal. Finally, there is the question of technically trained operatives, a difficulty easy to overcome in commercial establishments, but a real barrier to carrying out on the farm some of the industrial operations that from time to time have been suggested.

Incidents from the experience of many industries will serve to illustrate these points and perhaps throw some light on the waste problem in agriculture.

By **HARRISON E. HOWE**

Editor of Industrial and Engineering Chemistry

The values present in low-grade ores remained out of our reach as a waste product of metallurgy until the cyanide method was devised. It is doubtful if many of the waste piles could have been worked to advantage then if the new process had had to

NEXT month, in "Golcondas in the Scrap Heap," by Carlton Fuller of Western Electric, another side of the picture will be discussed, namely, how great industries make use of junk or scrap.

This phase of reclamation, known as secondary production, is becoming more and more important in the case of many metals, rubber and other industries.

—The Editor

carry the cost of mining them or collecting them. The waste awaited a method, and when the method was perfected, its raw material was found ready collected and with the cost of collection paid by a different operation.

Years ago the keeper of every meat market was his own butcher, and, even when communities cooperated in establishing and operating an abattoir, it was still impossible for them to make any use of the wastes incident to butchering and meat packing.

It was only when these wastes became accumulated incident to the principal business of meat packing that they could be used as raw material for other products. The famous work of the stockyards in allowing nothing of value to go to waste was impossible when the business was composed of small units. In large units, the profits from wastes represent the largest proportion of earnings of the meat-packing concerns.

Waste Handy; No Market

HERE'S a case where the other conditions are met but there's a lack of a market. The sugar refiners in Hawaii at one time found it more advantageous to dump their residual molasses into the sea than to convert it into industrial alcohol. Methods for conversion were well known, the waste molasses was concentrated, there was no difficulty in storage nor in obtaining men technically trained to operate the process. The market had not yet been sufficiently developed.

Since then the growth of our chemical industry and the increase in the number of automobiles operated throughout the cold weather have helped to create an enormous demand for industrial and denatured alcohol. Today not only is the molasses of

Hawaii used in this process but molasses is even brought from East Africa and other distant points to supply the fermenters in the huge alcohol plants of the country.

For years the sulfur-bearing fumes from the copper smelters caused damage over a considerable area around each smelter. There was no question of a constant supply of waste material, and it was known that, by burning sulfur, sulfuric acid could be made, and there has always been a great demand for sulfuric acid, the use of which is one way to measure the state of civilization of a people.

But the smelters were located at a considerable distance from the points where sulfuric acid is wanted, and the use of the gases for its production had to await the perfection of methods for concentration and the development of the contact process which, in this instance, offered advantages over the old lead chamber process.

We have heard much of late as to the virtues and possible uses for reclaimed rubber. It is not difficult to assemble cheaply large quantities of old tires and methods for extracting the rubber from such articles have long been known. Reclaimed rubber finds a perfectly proper place in many articles of commerce, but an expansion of the reclaimed rubber industry was compelled to await the high cost of crude rubber. This has brought about a much better market for the reclaimed material and placed the business on a far better basis. It is a good example of the vital influence of satisfactory market conditions.

A Story of Real Waste

AT BOGALUSA, Louisiana, there stands a wood-waste burner now famous for the legend placed upon it a few years ago. The legend states that over a period of sixteen years this burner consumed daily 560 cords of waste material or a total of 2,688,000 cords. The burner cost \$25,000 but destroyed material formerly considered waste and now known to have been worth \$1,344,000. This fire was extinguished by the chemical process of making paper. In this example we find no lack of raw material, no market difficulties, no absence of trained personnel, no difficulty with the process. There was simply a reluctance on the part of the Great Southern Lumber Company to embark upon a new product involving the use of this waste.

When legislation was pending which was to give birth to the denatured alcohol industry in order that our alcohol-using processes might be conducted in competition with those in other lands, someone pointed out that after the passage of the laws the farmer would be able to make from the waste starch- and sugar-bearing materials of the farm alcohol for use as fuel, in addition to having a new source of revenue from this new form of product. So far



When a farmer raises a crop for grain or seed, what of the waste materials not used for fodder? When will he be able to add to his income with waste, a farm by-product? His problem is to get it to the factory for less than the price it will bring

PHOTO BY KABEL

as the writer knows, there is no farm where industrial alcohol is being produced. He has no data on the beverage variety. The production of industrial alcohol on the farm has not come about because of the highly technical character of successful alcohol manufacturing, the necessary investment in plant, and the really small amount of fermentable wastes available on the average farm. It is the sort of industry which requires the concentration of materials, large investment in plant, and the careful exercise of technical control.

New Uses Are Developing

OCCASIONALLY new uses develop and the markets for a waste product give an advantage over the primary product. In Virginia there is a plant where copper-bearing cinders from the pyrite burners of sulfuric acid plants along the Atlantic coast have long been treated for their copper content. There was, of course, some sulfur dioxide and sulfur trioxide wasted from such an operation. Then came the demand for liquid sulfur dioxide, principally for the household iceless refrigerator. To meet the specifications required additional work on the purification of the gas and on the complete removal of all moisture from the liquid sulfur dioxide.

This has been accomplished and the plant now has a capacity of 45,000 pounds of liquid sulfur dioxide per day, giving that part of the business an importance far greater than the copper. Here was a case where only the market was needed to establish a new industry from a waste material, and where the market pressure justified the perfection of the necessarily refined processes.

Now let us cite an example of satisfactory conditions excepting an adequate and continuous supply of raw material. While industrial alcohol is made from sugar- and starch-bearing materials, it is entirely possible to treat waste wood to produce a fermentable sugar and from this starting point produce industrial alcohol. This process has been successfully conducted in a great plant in Louisiana and at another in the Carolinas.

Not Enough Sawdust Made

BUT SUCH a plant requires more than 200 cords of wood waste per day if it is to compete successfully for business. When you see a pile of sawdust as big as a church, you think it sufficient to satisfy nearly any demand for waste wood, and yet there is probably no place today in the United States where there is a concentration of wood waste sufficiently great and assured for a long enough time to justify operation of this waste-using process. The plants in Louisiana and in the Carolinas are not operating for want of waste.

A different condition may be taken from another version of the alcohol story, this time the utilization of the values in the waste sulfite liquor from paper pulp mills. There is a market for the alcohol, the waste is concentrated, the process is well known, but it cannot be operated, at least under American conditions, with sufficient profit to justify the investment.

With these various examples in mind, let us apply some of the data to our agricul-

tural problem. Celotex, a very successful building material, distinguished by its insulating properties, is now being manufactured at the rate of some seventeen million square feet per month from bagasse, which is the sugar cane from which the juice has been expressed. The crushing of cane is a seasonable operation, so that the storage of bagasse presents a problem, which, however, has been successfully met.

The production requires a large supply of raw material and also indicates how successfully the market has been developed. The point to be emphasized is that the bagasse is concentrated as the by-product of a prior industry—the manufacture of sugar—which bears the cost of the collection. The waste is pre-concentrated without charge to the board-making project.

There are other types of fibers which conceivably would make as good if not better building board. Cornstalks afford an example. There are millions of tons of cornstalks, but they are left in the fields as a by-product of the gathering of the corn crop.

The storage of the cornstalk from one crop to another offers no such problem as the storage of bagasse, but under our present methods of handling corn, any industry founded upon waste cornstalk would have to bear the cost of collection and transportation over a very considerable radius—50 or 60 miles—to the manufacturing plant.

How Far Should Farmer Go?

THIS raises another point, namely, to what extent can the farmer be expected to alter his present practice for the sake of utilizing his waste materials? The gathering and husking of corn are estimated to cost at least seven cents a bushel under present conditions, and farm hands are often scarce. Mechanical corn cutters have met with some success, and it is conceivable that a machine could be perfected that would cut but not husk the corn in the field, be light enough to work over soft ground, and inexpensive enough to be attractive to the corn farmer.

Such a machine might deliver the whole stalk to the wagon, which, used as a trailer, would serve to transport stalk, ear and all to a central mechanical husking plant. This plant would shuck the corn at much lower price than can now be done by hand, and incidentally afford a concentration point for the stalks destined for the factory. In addition to a change in agricultural procedure, such a scheme also involves a payment per ton for stalks that would make this attractive to the farmer, in addition to enabling him to use his equipment and employ his help to advantage throughout the winter.

The use of oat hulls has been mentioned, and rice hulls have also found employment. A form of cellulose, the chemical compound of which all wood fiber is composed, is being prepared for the manufacture of rayon, starting with rice hulls. Here again the waste is pre-concentrated as a by-product of the rice-hulling operation.

Cottonseed products, the use of which has added from ten to twenty dollars to the value of every bale of cotton, depending upon market conditions, would have been another impossibility if every farmer

ginned his own cotton and there had been no concentration of the by-products of the cotton crop.

A great deal of work has been done on the use of waste cereal straws, and much strawboard is made from such raw materials. The flax straw remaining after the flaxseed has been threshed has also received attention, and an excellent grade of paper, almost good enough for banknotes, has been produced from this fiber.

Here again it is the concentration of the straw that is the important economic factor. Its use in paper making would involve the preparation of tow at small decorticating plants in which the woody fiber would be removed mechanically, and this tow would have to be shipped to a central chemical-treating plant. The process is ready, its value has been proved on a semi-commercial scale, but the economics of collection are not satisfactory. Some flax straw finds its way into insulating boards and floor coverings, but the development of these industries is again dependent upon costs of collection.

Wheat straws have been subjected to destructive distillation with a view to making a gas useful on the farm for light, heat, and power. Here the technically trained operator enters, and there would seem to be too great a hazard in the operation of such plants in unskilled hands.

Beet pulp, now dried and prepared for cattle feed, is another farm waste that has found its economic place. Stock feeders had to be convinced that it was a good feed, after which the present methods of preparation were perfected. Beet pulp is the waste from the beet sugar factories. It was a nuisance until the feed market was developed.

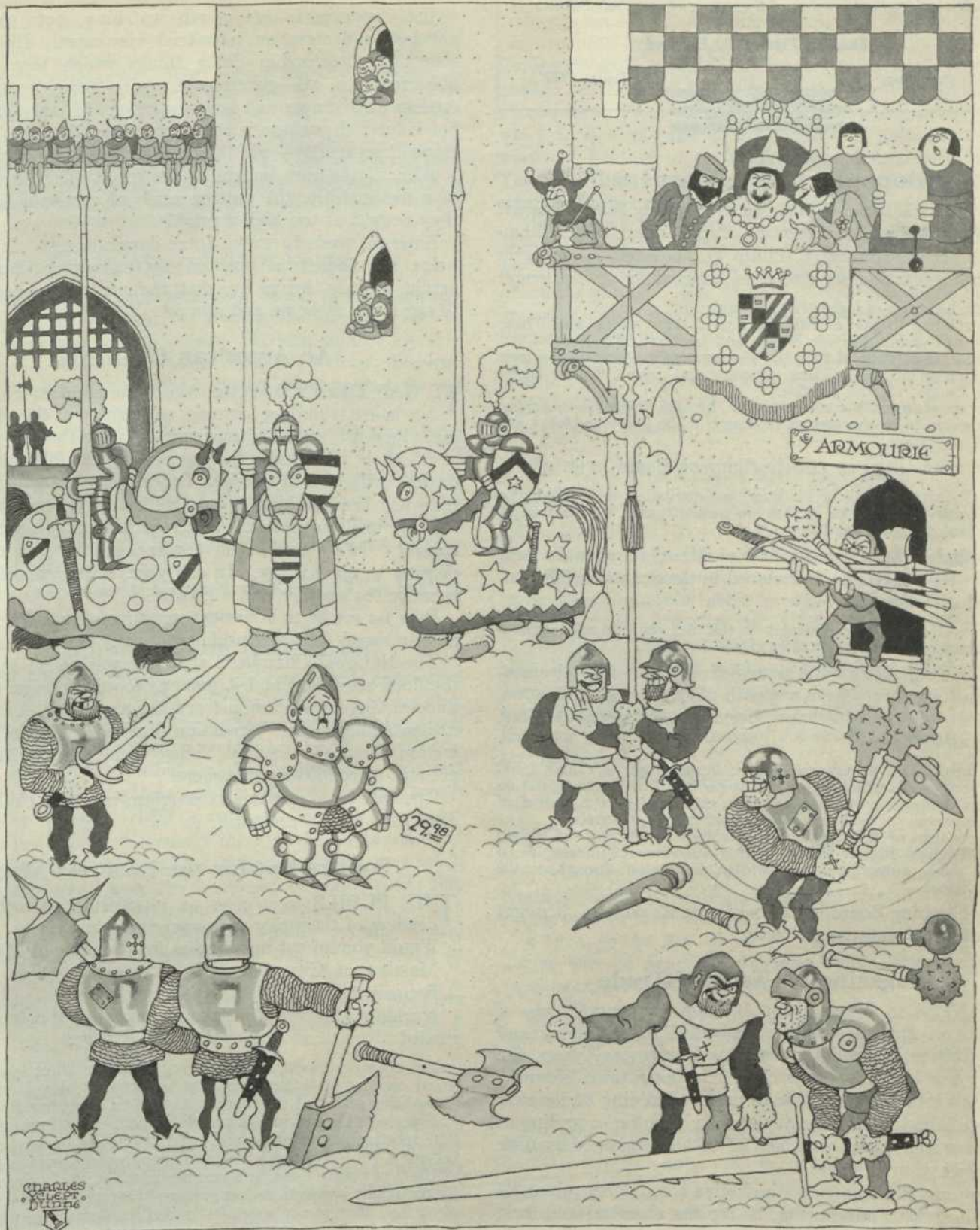
In California, citric acid, lemon oil, and pectin are made from the unsalable fruit or the surplus of the citrus fruit industry. But again this industry is a part of a larger collecting enterprise and the raw material naturally occurs fairly concentrated over a limited area. The same is true of the raisin industry, where there has annually been a considerable waste in unsalable raisins, seeds, stems, and other wastes of the raisin-packing houses. Here the waste called for utilization, and chemists have succeeded in preparing a fruit sugar sirup which is finding its market. Another case of concentration at some other industry's expense.

Would Aid Farm Income

UNQUESTIONABLY the industrial utilization of farm wastes is important in our agricultural problem, and the farmer's income in many cases can be increased by an intelligent use of that part of his crop which at present is unsalable. Any consideration of processes or production to accomplish this, however, must take into consideration the points which are essential to the success of any such project. The thousands of miles of improved roads added to our transportation system each season, the omnipresent motor, the comparatively idle winter, especially on one-crop farms, are all new factors in the farm waste problem.

Dirt has been defined as "matter out of place." Waste perhaps is "raw material out of place," and the problem of use of farm waste is to get it in place.

BABBITT THROUGH THE AGES



VII—NORMAN ENGLAND

SAD PLIGHT of Henry Babbitt, Manufacturer of Knight Klothes. Having been accused of unfair competition in falsely advertising that no wearer of his armor ever suffered a mortal wound, The Mediaeval Trade Commission is about to give him a chance to prove the truth of his statement. Despite his absolute confidence in the integrity of his goods, he is beginning to feel a little uneasy as the official armor testers start warming up. Are they concerned with better business?

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

June, 1927



A House Divided Against Itself?

WHERE is the United States Shipping Board headed? At the annual meeting of the United States Chamber of Commerce, Philip H. Gadsden, speaking at the Transportation session, thus summed up its tendency:

We find a series of legislative proposals:

One, relating to sale of Shipping Board ships, which would have the effect of prohibiting sale of best and most available ships.

Another, is a proposal that the Government embark upon a new 250-million-dollar shipbuilding program and issue "United States Marine Bonds" for the purpose.

It is therefore with confidence that I make this protest against what appears to be the present tendency of the Shipping Board and Fleet Corporation.

Chairman O'Connor, of the Shipping Board, retorted:

Mr. Gadsden, in reading his brief, has attributed to the Shipping Board policies for which he has no authority . . . for the simple reason that they are not true.

We find support for the first of Mr. Gadsden's declarations in the Jones Bill, introduced in the Senate last February, which says:

No vessel constructed pursuant to this Act shall be sold without the consent of Congress hereafter given.

We find support for the second of Mr. Gadsden's declarations in this extract from a speech of General A. C. Dalton, president of the Merchant (formerly Emergency) Fleet Corporation:

The most effective answer to the challenge (that we cannot build and operate an American merchant marine) will be the inauguration of a comprehensive building program extending over a period of years, approved by Congress and supported by our people.

The problem of financing could be solved by an issue of United States Merchant Marine Bonds, bearing a low rate of interest, to be sold at public subscription and widely distributed throughout the United States.

The Shipping Board can't coordinate its policies; it might at least coordinate its publicity.

Magazines as Tools of Trade

BUSINESS in Newark and business in general owes a debt of gratitude to the Newark Public Library and John Cotton Dana, its librarian. For several years the library has had a business branch in down-town Newark; now that business branch is to have a building of its own.

One of the tasks of the library has been the compiling of a "List which tells you which of 400 Business Magazines deals with your business."

There are 76 magazines which give commodity prices, 24 which deal with advertising, 12 for the chemical and drug trade, and so on and on.

It isn't only knowing how to read, it's knowing what to read these days.

An Experiment in Economics

WHILE the British Parliament struggles to control strikes by law, Mussolini by edict from above seeks to remold Italy's economic situation.

The lira is going up faster than industry could readjust

itself; so a reduction in retail prices and following that, a reduction in wages, have been ordered.

Great Britain and Italy seek the same goal—industrial rehabilitation and expansion—but by different roads.

The experiments are worth watching, both from the political and from an industrial viewpoint. Here is an economic dictatorship doing things which have become abhorrent to us—government price-fixing, government settlement of wages and hours of labor. If Italy thrives, if her industrial position is bettered, if her labor gets a fairer share of prosperity—will these things be bought at too great a price; if they are bought as the result of the acceptance of a dictatorship, the putting aside of economic laws, are they bought at too high a price?

America needs to watch these developments. If Britain helps her industrial position by orderly parliamentary action, if Italy thrives by edict, the result may mean much to our trade at home and abroad.

An American Challenge

IT WAS Dame Partington who "was seen at the door of her house trundling her mop, squeezing out the sea water, and vigorously pushing away the Atlantic Ocean."

Which is not unlike the method so far followed in our dealing with the Mississippi floods. For a hundred years man has been seeking to control the river; so far as our history runs, the river has at irregular intervals got beyond control. This year we have witnessed the greatest flood disaster in our history. In one year, in two years, in five, we may see another and a greater.

It is no credit to American resourcefulness and willingness to spend that this problem has not been solved.

The National Chamber's attention was called sharply to the flood situation, and it put on record its belief that the Federal Government should prepare a program for the permanent solution by "legislation directed solely to the protection of the Mississippi Valley without complication on account of conditions elsewhere."

The call for a permanent program is a fine challenge to America's engineering skill.

Politics Not for the Business Man

THE PUPILS in a class on citizenship recently asked leaders of their city to answer these questions:

Would you accept nomination for the office of Mayor?

Member of City Council?

Representative in state legislature?

A widely known business man, president of a large bank, replied "No" to all questions and told why:

My negative position in replying to these three questions is based on the fact that I believe the present day is an age of specializing and that no man can expect to compete with the man who perfects himself in the knowledge of a certain profession, and that whether intended or not, even the following of politics has become a profession with its certain phases of expertness.

There of course must be a manner in which the business-minded people might support and encourage the proper kind of government, and this, to my way of thinking, has produced what might be called business statesmanship; men who, while giving their attention to business, and to big institutions that serve thousands of people, in turn lend the benefit of their experience and commercial acumen to the problems of government through service on various citizens' committees, and particularly through Chamber of Commerce effort.

Thus, the business man is permitted to play his part, or rôle, in the scheme of government in a fashion that perhaps was not originally anticipated, and yet the importance of his participation in this way cannot be overestimated.

Reverting back to my original assertion that this is an age of specializing there was a time when the size of commercial enter-

prises and the time at the disposal of business men was such that they could easily divide it between business and politics, but, unfortunately, competition in this more specialized age makes concentration in both politics and business as professions impossible. No person can successfully serve two masters professionally, although his interests may logically be varied.

I would not have you or other growing citizens deduce from this that the present business man is not, and that the future commercial man should be less interested in the important and vital affairs of government. What I am attempting to convey to you is that since our forefathers' time there has come into practice a different method of expressing this interest than through simply running for public office.

Personally, I believe that this present relationship between the professional politician, whose business it is to study the needs of the public, and the business man who might modify the needs in a more conservative, or at least different manner, forms a happy, balanced, and rational community existence."

Going Abroad Both Ways

EAST may be east, and west west, as our ardent Kiplingites will tell you, but for generations foreign travel to the American was east, not west. To one man or his wife who wanted to see a Buddhist temple or cherry-blossom time in Japan, there were a dozen who wanted to see St. Peter's and Oxford.

But as the United States prospers, as more men have more time and more money, the tides of travel flow east as well as west. The South Seas, Japan and China, are calling the wanderer from the United States more and more each year. Notable of the indifference to distance is the meeting of the Western Division of the National Chamber in Hawaii next year.

Perhaps some day the annual meeting will be held in Peking!

A Complex Thing Is Business

CONSIDER the ramifications of one small Associated Press item from London: "Cigarette holders a foot long and made of milk," are on view. Some holders, it is added, are 18 inches, but these are not usable in small apartments.

Here, then, is a use of a possible farm waste, skimmed milk. Here's the housing problem affected by the length of cigarette holders. Here's a problem for tobacco raisers: Does the use of holders lessen or increase the use of tobacco? If cigarette holders are made of compressed milk, how much will be taken away from the makers of synthetic resins like bakelite? There's manufacture! And distribution! Are sesquipedalian cigarette holders to become popular? And if so, how about a bargain sale of our present stock of three-inch holders?

But this use of milk isn't new to our readers. Two years ago we told them about poker chips from karolith, a pressed milk product.

The Hunt for Foreign Borrowers

TWELVE BILLIONS of American dollars—exclusive of government loans on war account—are invested in foreign loans. And this year, according to good banking authority, promises to set the high water mark of American investment in foreign paper.

For the first quarter of the present year the total thus invested is \$390,000,000. The highest previous quarter's investment abroad was \$270,000,000. And the end is not yet. At the writing no less than thirty banking houses—most of them American—are bidding for the privilege of underwriting a municipal bond issue by the city of Budapest, while fourteen American investment houses are keen rivals for handling a like issue of municipal securities by the city of Belgrade. This avidity for foreign investment

evidences a supply of capital in this country above the needs of domestic business and investment—another surplus, in fact.

But another factor enters into the situation. These foreign issues bear higher rates of return than first-class domestic issues and financing operations. And abating the fact that the freedom with which American dollars sought foreign investment materially hastened the economic recuperation of Europe, the volume of American investment abroad and the continuing and increasing avidity with which foreign investments are snapped up gives point to the words of caution of such international financiers as Mr. Thomas W. Lamont, of Morgan and Co., and such far-sighted observers as Secretary Hoover.

Mr. Hoover has repeatedly urged that American loans abroad should be confined to productive purposes, while Mr. Lamont frankly warns against "rash or excessive" commitments abroad. The wisdom of this caution is at once apparent, for it needs not a seer to prefigure what would happen should investment houses, under pressure of eager investors demanding high rates, be betrayed into too hazardous a hunt for borrowers—a situation which Mr. Lamont graphically described as "a horde of American bankers sitting on their (Europe's) doorsteps offering them money."

The Pulpit and Industry

SHALL the shoemaker stick to his last? And the preacher to his pulpit? The Rt. Rev. James E. Freeman, Protestant Episcopal Bishop of Washington, thinks the preacher certainly should keep out of politics—at least not "attempt through an organized lobby to influence legislation."

Bishop James Cannon, Jr., of the Methodist Episcopal Church South, thinks the church has a definite duty to consider industrial, if not political, conditions. He headed a list of some forty clergymen who in an open letter "to the industrial leaders of the South," called "for the improvement of social and economic conditions especially in the textile industry."

The *Textile World* makes this reply for its industry—that the Bishops don't know what they are talking about, that they are "uninformed, even if sincere."

Richard H. Edmonds, editor of *The Manufacturers Record*, orthodox in religion and devoted to the interests of the South, puts the issue on more general grounds. His is the "stick to your last" theory.

A letter to the Rev. H. D. C. MacLachlan, of Richmond, asking why he signed the Bishop Cannon letter, brought a reply containing this sentence:

And I think you will also agree with me that if the leaders of industry undertake, as they sometimes do, to tell the preachers what they shall preach about, the preachers have the same right to make constructive criticisms of industrial methods in their midst.

But Mr. Edmonds didn't agree. In fact, he said:

Nor can I quite agree with you that if the leaders of industry undertake to tell the preachers what they shall preach about, "the preachers have the same right to make constructive criticisms of industrial methods." As I view the matter, the minister of the Gospel holds his pulpit for the express purpose of proclaiming to a lost world salvation through the acceptance of Jesus Christ. I cannot find that Christ ever undertook to tell the business men of Palestine how they should run their affairs from the business standpoint, nor can I find that any of the Apostles engaged in any other line of work except that illustrated by Paul in his statement, "I determined to know nothing else save Christ and Him crucified."

And there the issue is defined.

But is Mr. Edmonds right in saying that Christ never undertook to tell the business men of Palestine how to run their business affairs? What of the casting out of "all them that bought and sold in the temple"?

Business Asks More of Government, Too

By WILLIAM P. HELM, Jr.

Cartoons by Albert T. Reid

Editor's Foreword: In 1913, the last pre-war year, routine peace-time expenditures of the Washington government were about a half million dollars a day. Last year they were nearly four millions a day.

This is an increase of 717.4 per cent in government spending for peace-time activities. While spending has been increasing at this rate, the population has increased but 20.7.

Nation's Business commissioned Mr. William P. Helm, Jr., to investigate and set forth the reasons for this three and a half million daily increase. The purpose of the study is to find and state facts—not to scold nor to fault-find.

This is the third of the studies. It treats with the Department of Commerce.

TAKE the Bureau of Standards, an important activity of the Department of Commerce, for instance.

In 1913, last pre-war year, the bureau was conducting one technical investigation (and only one, so far as the treasury ledgers disclose its activities) which appears, in the year's record of spendings, thus:

Investigating effects of electric currents..... \$9,844

In 1926, latest post-war year, the bureau was conducting not one but thirteen separate investigations, thus classified in the treasury books:

High temperature investigations.....	\$9,383
Investigation of automobile engines.....	22,697
Investigation of clay products.....	25,357
Investigation of fire-resisting properties.....	28,091
Investigation of mine cars and scales.....	12,825
Investigation of optical glass.....	21,426
Investigation of public utility standards.....	99,313
Investigation of radio-active substances.....	10,205
Investigation of textiles, etc.....	26,522
Metallurgical research.....	42,475
Radio research.....	45,465
Rope investigation.....	711
Sound investigation.....	5,442

Activities, all of them, very much worth while no doubt, and useful—but increasing at the rate of a new activity a year every year since the pre-war days of 1913.

War Started the Activity

THE RECORD also shows that the bureau was started on its life of abounding investigation by the World War. America's entry into the conflict consigned to it a new sheaf of scientific and engineering problems. From leisurely routine, the bureau awakened one April morning ten years ago to the stirring activity of war. Almost overnight, the bureau spread its establishment over the barren hillside topped by its single building. New structures rose from the mud; new faces appeared by the dozen at the cashier's window; new funds poured without stint into its coffers.

When the war ended, the bureau was going at top speed. The record shows that in all the years since the war it has been unable to slow

down; that it is still running along at the pace it maintained during the year beginning July 1, 1919.

Here is the record of its spendings:

1913.....	\$622,048
1920.....	1,736,479
1926.....	1,750,085

The pace, indeed, was a bit faster last year than it was during the big post-war readjustment year ending June 30, 1920. It is nearly three times as hot as it was during the last pre-war year of 1913.

And some of the investigations upon which it has launched seem destined to continue indefinitely. Investigations of high temperature, clay products, fire-resisting properties, mine scales and cars, optical glass, and public utility standards have been going on for at least seven years. They appear as items of cost in the 1920 records and again in the 1926 records. Doubtless there are other similar cases, but in these six instances apparently the bureau has started something which it either cannot or will not stop.

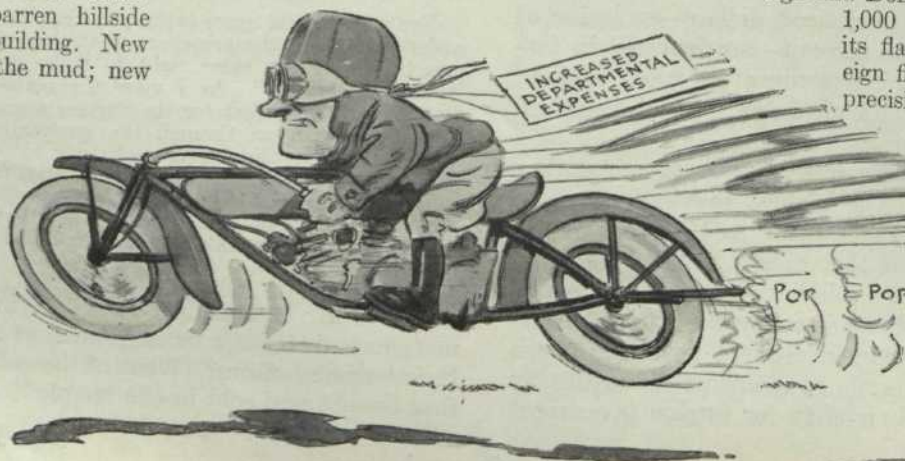
Not a Question of Right

POSSIBLY, even probably, every dollar spent over seven years or more in investigating each of these subjects has been splendidly invested. That, however, is not the point of this article. The point is that the cost of government on the whole has risen almost unbelievably during the past thirteen years, and that this particular bureau typifies some of the reasons for the increase.

There is nothing exceptional in the bureau's record. What has happened in the case of this bureau has happened, to greater or less degree, throughout the entire federal service.

Take the Department of Commerce as a whole. Its record of spendings, shorn of extraordinary activities and including only routine of the various bureaus which now are marshaled under its supervision, reads:

1913.....	\$13,280,596
1920.....	22,828,529
1926.....	29,079,056



The figures in the accompanying tabulation show different totals from those just cited, notably in the case of 1920, but those totals, as disclosed by footnotes, include spendings for

extraordinary and non-routine functions. The foregoing comparison embraces only comparable routine. It shows that the cost to the taxpayers of maintaining the department in 1920 was about 172 per cent of the 1913 cost, and that in 1926 it was nearly 220 per cent of the 1913 cost.

And between 1920 and 1926, it will be recalled, occurred the great economy drive. That drive apparently never touched the Department of Commerce; certainly it did not serve to cut its total spendings.

Every year sets a new record for its cost of operation.

Service Multiplies Itself

THE NUMBER of services it renders has multiplied like guinea-pigs; the cost of rendering them has grown from acorn size to oak. Ten inquiries are answered today for every one a few years back; two dollars are spent today for every dollar of a short time ago. Cost per service rendered is lowest in the department's history; the annual budget is the highest ever known for purely routine peace-time effort.

Is the game worth the candle?

Let the players—and the candle-makers—answer. What they may say is opinion; what is presented here is fact—fact, as measured in unfeeling dollars whose departure from the federal treasury in past years has left a trail which we shall attempt to follow to measure the cost.

Worth it all, maybe, and ten times as much again, are the far-flung and spectacular trade activities carried to the world's frontiers under the department's flag—but what is the cost?

That, too, is part of the record, just as much as the story of the department's achievements. Part of the record yes; only a part; but because it is a part of which relatively little is known it is presented here for what it is, and presented without color or criticism or intent to dim whatever luster of achievement the rest of the record displays.

In the department's show window sits—or, rather, performs—the Bureau of Foreign and Domestic Commerce. More than 1,000 men and women work under its flag, hundreds of them in foreign fields. Drilled to machine-like precision in their march over the face of the earth in search of new markets for American goods, they function with smooth unity toward a single purpose—trade extension.

They, no doubt, have opened the arteries of trade to the free flow of American exports to

the farthest outpost of civilization. The backwash of imports, as they can prove by figures, sweeps millions annually in customs levies into the federal treasury.

In 1913, reads the record, the cost of the bureau was \$172,196; in 1920, \$860,274; last year, \$2,837,115. Why the increase? Here is what the Treasury ledgers disclose:

In 1913, but five items of expense—salaries, Bureau of Manufactures, \$89,000; salaries, Bureau of Statistics, \$5,548; collating tariffs of foreign countries, \$11,808; collecting statistics relative to commerce, \$9,948; promoting commerce, \$55,891.

Items of Expense

IN 1926, sixteen major items of expense, of which the chief are as follows:

Salaries	\$257,803
Commercial attachés	300,728
Compiling foreign trade statistics	324,716
District and cooperative office service	230,950
Domestic commerce	111,497
Export industries	599,795
Promoting commerce, general	444,655
Promoting commerce in the Far East	245,605
Promoting commerce, South and Central America	230,952

The business men of the country ordered a high-powered bureau, capable of driving ahead fast. They have it.

Another fast-stepping bureau, from the standpoint of the cashier, is the Patent Office. Until three or four years ago, it was under the supervision of the Department of the Interior. Here is the three-year record of its spendings:

1913	\$1,452,152
1920	1,643,384
1926	3,702,562

In six years—all of them post-war years—the cost of maintaining the Patent Office increased 125 per cent. Reorganization—that's the reason. No branch of the federal service had a higher labor turnover, none was less attractive to its workers, than the Patent Office before its rejuvenation. And nowhere had the public business fallen further in arrears.

That is all changed now. A new scale of salaries, more workers and better working conditions have pulled the Patent Office out of the Slough of Despond. It functions today with greater efficiency and celerity than for years past.

But there is an-

other sensational change in Patent Office operations, also the product of the last six years. That change concerns the ratio between its expenses and revenues.

In 1920 the fees for the services it rendered, flowing into the public Treasury, topped the bill to the Treasury for its expenses by almost a cool million dollars. In

Another handsome step-up within the same six-year period has been made by the Bureau of Navigation. As bureaus go, this is a little fellow; but apparently it has ambitions. In 1913 its total expenditures were \$153,799; in 1920 they had increased by 60 per cent to \$257,587, and in 1926 its total cost to the taxpayers had risen to \$516,409.

A 100 per cent increase, that is, during the past six years.

What caused this doubling of expense? For answer, let us examine the record. Here are the detailed spendings:

INVESTMENTS IN THE DEPARTMENT OF COMMERCE—III			
Bureau	Spendings in		
	1926	1920	1913
Office of the Secretary (a).....	\$1,013,829	\$3,939,201	\$316,437
Foreign and Domestic Commerce.....	2,837,115	860,274	172,196
Census (b).....	2,350,035	13,667,103	1,334,295
Steamboat Inspection Service.....	1,009,501	969,644	527,981
Navigation	516,409	257,587	153,799
Standards	1,750,085	1,736,479	622,048
Lighthouses	9,879,082	8,896,989	5,472,159
Coast and Geodetic Survey.....	2,173,425	1,820,607	1,003,523
Fisheries	1,550,503	1,392,543	1,444,446
Patent Office (c).....	3,702,562	1,643,384	1,452,152
Mines (c).....	2,286,644	2,490,382	564,987
Miscellaneous	89,085	2,224,620	12,041
Bureau of Corporations (d).....			59,398
Totals	\$29,158,275	\$39,898,813	\$13,135,462

(a) Includes in 1920 an item of \$3,563,706 for "national security and defense."

(b) Includes in 1920, \$13,507,576 for taking the fourteenth census.

(c) The Patent Office and the Bureau of Mines were placed in the Department of Commerce subsequent to 1920. Their spendings under the Department of Interior in 1920 and 1913 are listed for comparison and included in the totals.

(d) The work of the Bureau of Corporations was carried on by the Federal Trade Commission after September, 1914.

Item	Spendings in	
	1920	1926
Salaries	\$38,977.00	\$60,247.55
Salaries, shipping	30,000.00	34,306.51
Vessel admeasurement	2,502.87	4,361.00
Contingent, shipping.....	8,306.80	9,915.48
Clerk hire, shipping	55,000.00	85,359.38
Navigation laws	45,509.35	80,626.27
Wireless laws	60,272.19	222,081.79
Preventing overcrowding passenger vessels	17,019.09	19,561.79

Total for year \$257,587.30 \$516,409.17

Every item on the list comes higher. During the six-year span the total spent for salaries increased nearly 60 per cent; salaries of the shipping service, 14 per cent; admeasurement of vessels, 70 per cent; contingent expenses of the shipping service, 55 per cent; clerk hire, shipping service, 55 per cent; enforcement of the navigation laws, 75 per cent; enforcement of the wireless communication laws, 270 per cent; preventing the overcrowding of passenger vessels, nearly 15 per cent.

More than half of the \$250,000 increase lies in the cost of enforcing the wireless communication laws. This work has nothing to do with land radio stations.

Fortunately for the taxpayer, some of the department's bureaus record no such outstanding increase in their spendings. Notable in this respect are the Census Bureau, the Bureau of Lighthouses and the Steamboat Inspection Service. All of these establishments show growth of expenditure, but the rise in their spendings has been somewhat comparable with the inflation of commodity and living costs.

One activity of the department, the Bureau of Fisheries, has manifestly curtailed its operations. Its spendings in 1926 were but 7 per cent greater than its spendings in 1913. When one considers the fallen estate of the 1926 dollar as compared with its

1913 progenitor, the bureau's increase in spendings in reality represents a 40 per cent curtailment in activity.

The fourth study in this series, treating with the increasing cost of maintaining the Interior Department and its varied activities and establishments, will appear soon.



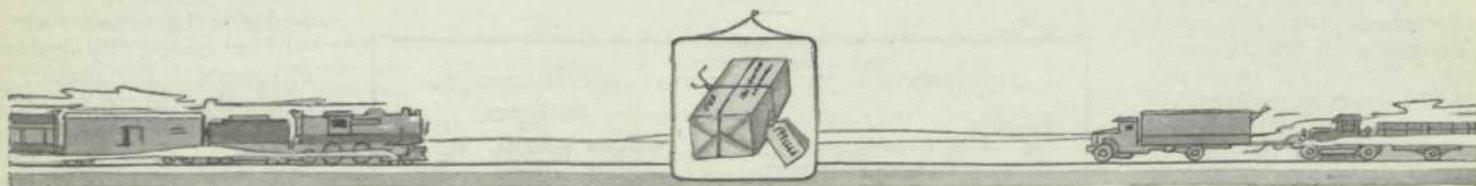
The Bureaus are winning the expenditure race

How Regulate the Bus and Truck?

By CHARLES W. STARK

Of the Department of Transportation and Communication, Chamber of Commerce of the United States

Decorations by Charles Forbell



Hundreds of Thousands of Passengers and Tons of Freight Are Being Carried by Motor Vehicles, in Competition with Already Regulated Railways. What Is to Be Done About It?

AFTER forty years of the Interstate Commerce Commission, the public and the railroads have grown callous to the regulation of railroads.

Now the country faces the problem of regulating the motor bus and truck—a transportation industry which is growing by leaps and bounds. How much regulation and what kind?

When shall the truck and bus come under control? When are they common carriers? When engaged in interstate commerce? Questions not easy to answer.

John Sweetmeats & Company, manufacturers of candies, located in New York, found it necessary, to keep customers supplied with fresh stocks, to acquire a number of small trucks and make deliveries in the metropolitan area. Trucks, of course, cross the Hudson into New Jersey. The trucks handle nothing but the company's own candies.

However, the company does not find it feasible to allow its own trucks to go more than about 30 miles from home, and it receives numerous orders for truck deliveries up to 100 miles, from points in New York, Connecticut, New Jersey and Pennsylvania.

The company, therefore, contracts with general truckers to make such deliveries, having a list of three or four such truckers to whom it gives most of its long-haul business. These truckers have no published schedule of rates or established routes but take or reject any business or commodity offered, quoting their own price for each job. There is a steady

flow of silk from the mills at Reading, Pennsylvania, to New York and Philadelphia. Shipments can be made by truck in the evening, after the railroad freight houses are closed, and delivered the next morning, and this business has proved so attractive to truckmen that a number of them specialize in it. Outbound from Reading they haul only silk, and only for a few selected customers, and because of the high value of the silk they operate specially armored trucks. To get revenue on the return trip, however, they haul shoes, scissors or stovepipes for anybody that offers them, and often at a low rate.

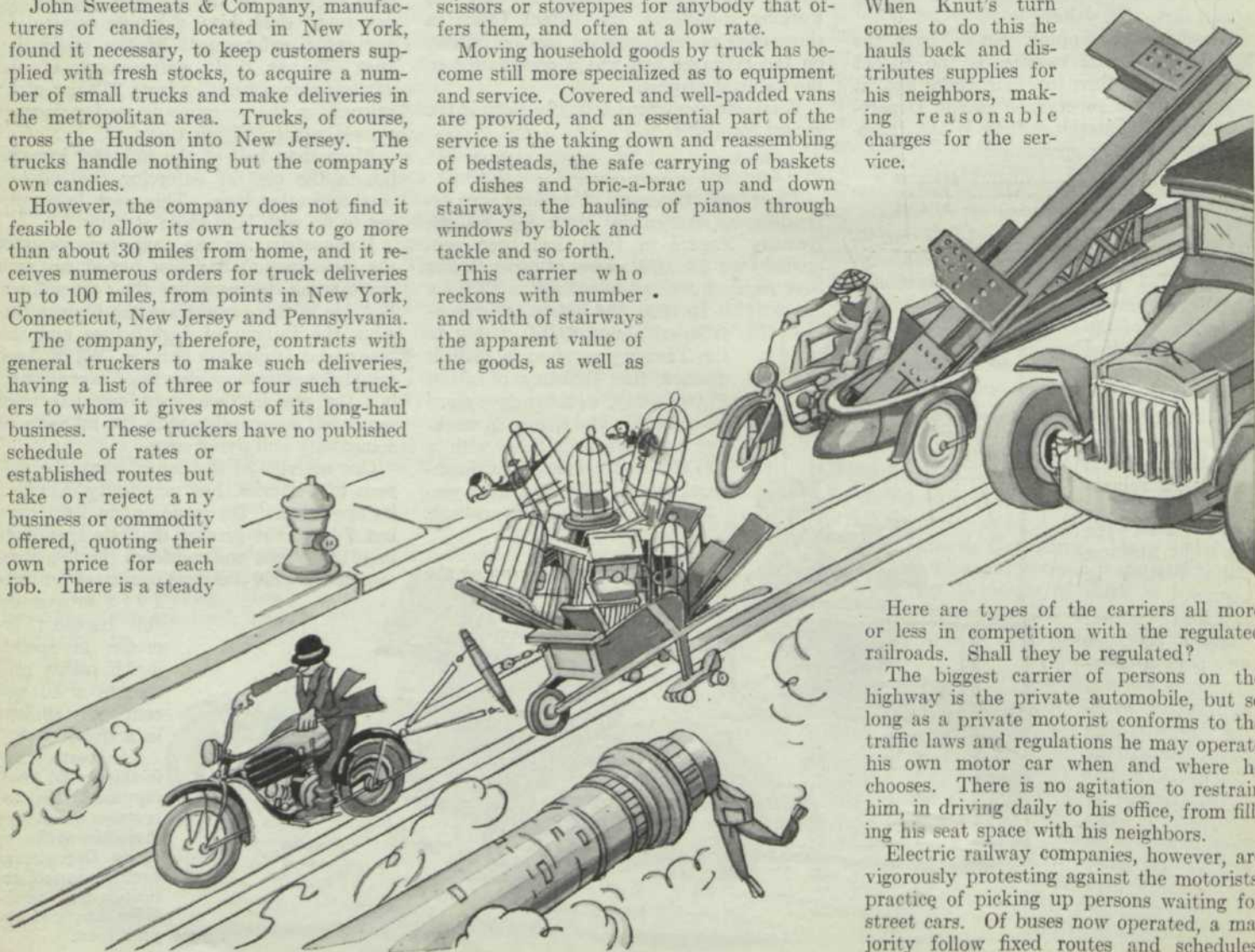
Moving household goods by truck has become still more specialized as to equipment and service. Covered and well-padded vans are provided, and an essential part of the service is the taking down and reassembling of bedsteads, the safe carrying of baskets of dishes and bric-a-brac up and down stairways, the hauling of pianos through windows by block and tackle and so forth.

This carrier who reckons with number and width of stairways the apparent value of the goods, as well as

the length of haul, makes his price on each undertaking. Obviously he has no fixed route and no established clientele.

The farmer also comes into the picture. Knut Knutsen might be one of a group of farmers within marketing distance of Minneapolis. Most of the group own small trucks. To conserve their time, however, and avoid the necessity for trips to the city with part loads, they are in the habit of changing about, when they do not have full loads of their own produce, and hauling for their neighbors.

When Knut's turn comes to do this he hauls back and distributes supplies for his neighbors, making reasonable charges for the service.



Here are types of the carriers all more or less in competition with the regulated railroads. Shall they be regulated?

The biggest carrier of persons on the highway is the private automobile, but so long as a private motorist conforms to the traffic laws and regulations he may operate his own motor car when and where he chooses. There is no agitation to restrain him, in driving daily to his office, from filling his seat space with his neighbors.

Electric railway companies, however, are vigorously protesting against the motorists' practice of picking up persons waiting for street cars. Of buses now operated, a majority follow fixed routes and schedules,

and have established fares, thus giving a service similar to that of steam and electric railroads; but there are also many local sight-seeing buses, touring buses, which combine educational functions with long-distance transportation. These operate according to the business offered rather than according to time-table. Other buses are subject to charter for any passenger service, school buses, factory buses and buses operated without charge by hotels and department stores.

Then there are the taxicabs, which provide a special, exclusive service whenever and to whatever point desired, but at an established rate.

Three Classes of Carriers

ALL MOTOR vehicles, both passenger and freight, fall into three general classes:

Private carriers, operated solely by and for the owner and his family or business.

Contract carriers, operated to provide special services in accordance with special agreements.

Common carriers,

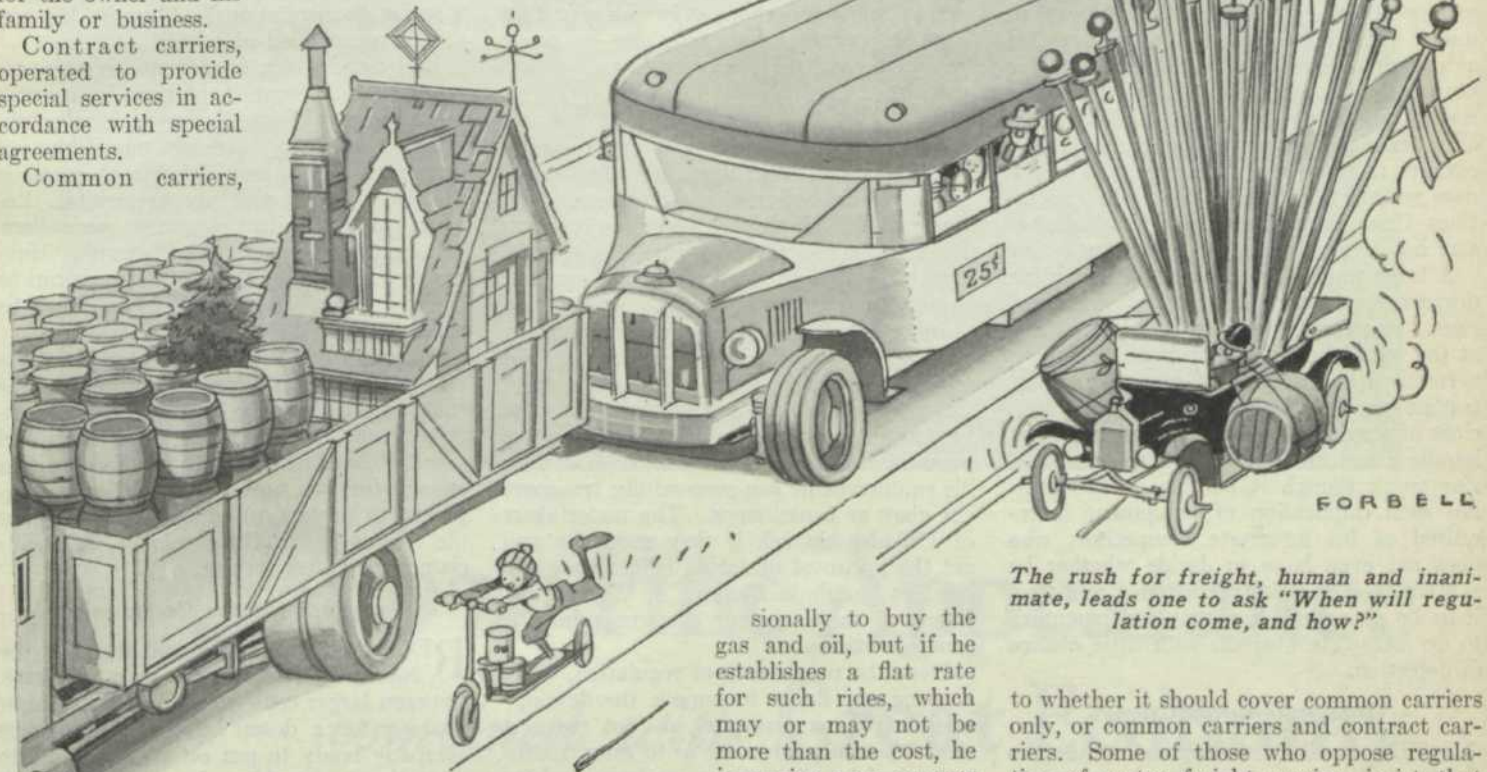
sence of any fixed routes or schedules, he appears to be a contract carrier.

Knut Knutsen and his neighbors are private carriers when they haul truckloads of their own produce to market, contract carriers when they make up loads from one or two other farms, and perhaps they approach the common carrier class when they undertake to bring back supplies for all in their group.

Turning now to the passenger vehicle—the private car used only for the business or pleasure of the owner, his family and his friends is surely a private carrier, and probably no less so if he “commutes” with it and takes along several of his neighbors, allowing them occa-

ulated, and to what extent.

There is, probably, no desire to make regulation so all-inclusive as to embrace private carriers, but there is no unanimity as



The rush for freight, human and inanimate, leads one to ask "When will regulation come, and how?"

sionally to buy the gas and oil, but if he establishes a flat rate for such rides, which may or may not be more than the cost, he is coming near or over

the edge of the private-carrier group.

The bus, operating on a fixed route and schedule and picking up and discharging passengers at various points, comes definitely in the common carrier class. But is the local sight-seeing bus also a common carrier? The chartered bus is apparently a contract carrier, but how about the touring bus which gathers passengers in Tennessee and brings them to Washington to see the capital? The free hotel bus appears to be a private carrier, but what of the hotel bus for which a charge is made?

Status of a Taxicab

AND THE taxicab—is it a common carrier because it offers its service indiscriminately to the first comer, at a definite rate determined by a meter, or is it a contract carrier because it has no time-table or established route, and completes one service before offering itself for another?

Thus if motor carriers are to be regulated—regulated as to their business as distinguished from regulation to meet the requirements of traffic and safety—we have to determine which of them are to be reg-

ulated, and to whether it should cover common carriers only, or common carriers and contract carriers. Some of those who oppose regulation of motor freight carriers insist that the highest courts have declared that neither private nor contract carriers may be regulated.

A. P. Thom, general counsel of the American Railway Association, arguing at a hearing on motor transport before the Interstate Commerce Commission, denies that regulation can be applied only to common carriers. He asserts that the highest courts have repeatedly declared that motor freight interstate commerce can be regulated, be the agency common, contract or private carrier.

Many who take the opposite position as to the desirability of regulation are apprehensive that Mr. Thom may be right as to the legal aspects. This is shown by the opposition to regulation voiced at hearings by representatives of carrier groups that might conceivably be outside the pale of regulation—operators of candy trucks, silk truckmen, furniture movers, farmers, operators of sight-seeing buses.

Thus strong interests opposing truck regulation on the ground that it will fail of its purpose entirely, because it will reach only the small percentage of carriers classi-

which serve all comers. The three groups overlap and merge in a dozen ways.

The Sweetmeats trucks come definitely in the private carrier class. The trucks which make the company's deliveries to the greater distances are contract carriers outbound, but it may be questioned whether on the return trips they are strictly contract carriers, or common carriers. The silk trucks from Reading are in about the same category; outbound from Reading there can be little doubt that they are contract carriers, but since they run to New York and Philadelphia with great regularity and advertise for return loads at an established rate per ton, their status on the return comes close to common carriers.

The mover of household goods may be thought to come within the definition of common carrier in that he is ready to serve all comers, but in the specialization of his service and equipment and the total ab-

fiable as common carriers. Other strong interests oppose it on the ground that it will reach every kind of trucking operation, even to the private operator. Such sentiment in favor of regulation as is found among truck operators comes from these common carriers who, according to one viewpoint, would be put out of business by regulations, but who, under the present laws of various states, are regulated and find themselves suffering from the competition of unregulated contract carriers.

A bill, "to regulate interstate commerce by motor vehicles operating as common carriers on the public highways," was introduced in the last Congress by the late Senator Cummins.

This bill has hardly tended to clarify the status of the various carriers. It undertakes to regulate only common carriers, but divides all common carriers into two groups—Class A, "which shall embrace all motor carriers engaged in transportation as common carriers in interstate commerce between fixed termini or over a regular route," and Class B, "which shall embrace all other motor carriers engaged as common carriers in interstate commerce." The bill does not shed further light on what operations Class B would embrace, and discussion has been rife on that important point.

A large number of the states in varying degrees now regulate intrastate motor carriers. One truckman from Indiana testified at the recent hearings that while he is both a common and a contract carrier, he must confine each individual truck to the one class of service or the other, and must not handle a contract job with a common-carrier truck though it be idle at the time. No such duplication of equipment is required of his interstate competitor, who does not even have to decide whether he is a common or a contract carrier, and who, if he be so inclined, has ample opportunity to do intrastate business with little chance of detection.

Interstate Competition

IN THE small New England states the competition of unregulated interstate carriers, particularly passenger carriers, with regulated intrastate carriers is especially keen. One bus line between two Rhode Island cities becomes an interstate carrier by passing a mile beyond one of the cities and crossing the state line and collecting the tickets during the moment it is in Massachusetts after which it immediately turns back.

Prior to March 2, 1925, many states exercised the same control over interstate motor carriers as their state laws allowed them over intrastate carriers. But on that day the United States Supreme Court handed down the Bush and Buck decisions, which denied the states the right to interfere with interstate carriers other than to exercise police powers to safeguard the highways. Since then a large number of interstate carriers have sprung into being, some of which ignore the state commissions.

Testimony so far brought out seems to show that the traveling and shipping public does not object to regulation of buses. There is a feeling that the principal need for buses is over fixed routes on fixed schedules, and that they should be held to

such routes and schedules as well as to definite rates. But how can a rate be filed and approved by any commission, covering the cost of an emergency job of night hauling a dynamo to keep a factory damaged by fire in operation? The very asking of this question indicates a fear that regulation may be extended to include all contract carriers.

But if public opinion, so far as it can be estimated, seems to accept regulation for buses on fixed rates and to be less favorable to regulating freight-carrying trucks, what do the railroads ask?

They urge that motor carriers for hire should be required to obtain certificates of public convenience and necessity before doing business, and they apparently seek to have this applied to contract as well as to common carriers. The truck owners reply that it is not possible for a contract carrier serving perhaps only three or four large shippers—perhaps only one—to prove public convenience and necessity.

Disadvantageous Regulation

IN RATES and service there is similar confusion. Motor operators, performing highly specialized services, oppose regulation. Smith & Jones, furniture movers, ask why they should be required to operate over a fixed route when nobody along that route is moving.

John Johnson, who specializes in heavy hauling, mostly with horses and special truck frames, asks how he can file a tariff for moving a 60-foot smokestack when he has never moved one in the twenty-five years he has been in business, or how with his equipment he can successfully transport cut glass or canteloupes. The undertakers of Philadelphia ask if they must file and get the approval of tariffs before they can conduct burials in Camden or Wilmington. Users of these various services echo the same questions.

Even the proponents of regulation, while denying any desire to impede the development of motor transport, do not make it clear what they advocate as to rates, routes and schedules of contract carriers or where they would draw the line between contract and common carriers.

But once it is determined that motor carriers can be classified and are to be regulated, and how much regulated, then comes the question, who shall do the regulating? Granted that the states will continue and extend their control of intrastate operations, shall they also through cooperative action control interstate operations, or shall that all be done by the Interstate Commerce Commission?

Motor transport involves a vast number of transportation units, far in excess of the number involved in regulation of rail transport. To build a railroad, or even a short trolley line, ordinarily requires the creation of a corporation, the assembling of capital, the development of an organization. Any man, however, by a cash outlay of twenty-five dollars or less, can buy a used car and forthwith become a common carrier engaged in interstate commerce provided he crosses a state line.

The regulatory body can reasonably require the promoters of the railroads to submit details of financial responsibility, esti-

mated construction and operating costs, prospective tariff—but how formal or complete a presentation shall they require of Michael Flaherty, who has just bought a bus on time? He is a skilled driver and sees the likelihood of a good business between Smithtown and Jonesville, which are at present connected neither by rail nor by bus line; but he knows nothing of trend charts or depreciation and never hired a lawyer in his life.

Shall he be denied a certificate because he has not proved his case, or shall he be granted one on the chance that he can supply a needed service—no great harm having been done if he cannot?

Suppose he is granted the certificate. Must he file periodical tariff records and statistical reports and accounts with the commission, and if he does not how is the commission to know whether he is conforming to regulations? Suppose his service is complained of.

Railroads giving inadequate service are required to improve it, perhaps by running more trains, perhaps by buying new equipment. Bankruptcy does not relieve the rail corporation from its obligation to continue in operation and give proper service. Receivers must find the money somewhere. But can this be applied to Flaherty? Having put his all into his one bus, how can he be forced to buy another? If he dies, who must run his bus?

Now enters Maloney with another bus and another application to operate over the route of the Flaherty, Ltd. Shall the principle of the protected monopoly be applied here? There may or may not be business enough for two buses, and neither is competent to present proof on this point, but the towns of Smithtown and Jonesville clamor for better service.

Questions for the Commission

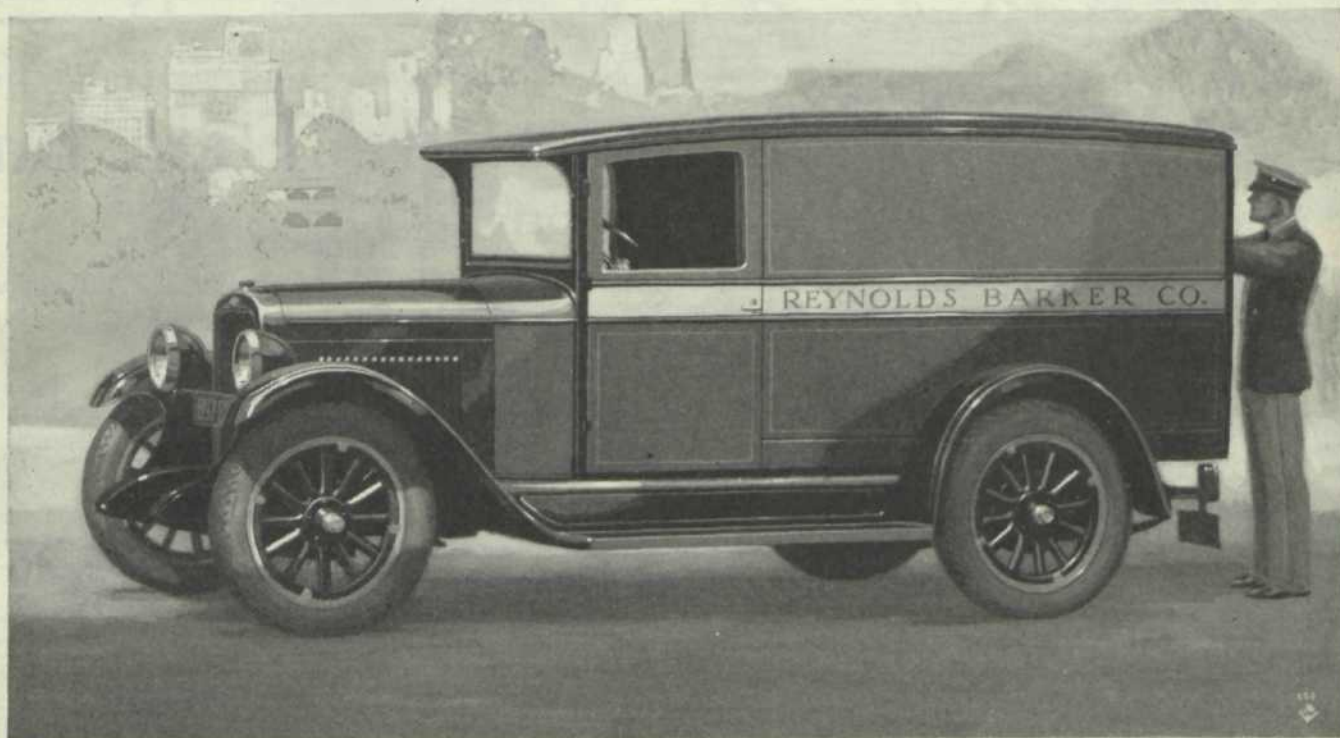
REGULATORY bodies will seemingly be confronted with many such problems. Between larger centers there may be ample business for a dozen buses, but no single company ready to put on a fleet ample to meet the needs. If so, how many individual operators shall be allowed in the field? How can the commission draw the line in such manner as to avoid being charged with discrimination? And can a dozen competing operators be effectively held to a fair division of the routes and schedules which will give the public the regularity of service needed?

There is widespread belief that these local problems cannot be solved in Washington and should be handled by the state commissions, even where they cross state lines. It is suggested that otherwise as interstate motor commerce grows the Interstate Commerce Commission might in a few years have to develop a motor transport division as large as the entire present staff of the commission.

But there is a constitutional question to be answered as to the right to delegate to state commissions' jurisdiction over interstate commerce. It is conceivable that as time goes on even the organization of the Interstate Commerce Commission needed to referee the interstate cases in which the state commissions disagree might reach formidable proportions.



for Economical Transportation



Now Fine Appearance *combined with Great Economy*

— at these Low Prices!

1/2-Ton Truck Chassis	\$395
1-Ton Truck Chassis	\$495
1-Ton Truck Chassis with Cab	\$610
1-Ton Truck with Stake Body	\$680
1-Ton Truck with Panel Body	\$755

All prices f. o. b. Flint, Mich.

Balloon tires standard equipment on all models.

Check Chevrolet Delivered Prices

They include the lowest handling and financing charges available.

Chevrolet offers the maximum of fine appearance combined with the greatest operating and maintenance economy known in the commercial car field.

Chevrolet Delivery Trucks are in themselves outstanding examples of the designer's art, and this inherent beauty is emphasized by such marks of distinction as sweeping crown fenders, bullet-type headlamps, beaded hood—and by the permanent beauty of lustrous, lasting Duco finish.

Fleet owners as well as individual operators have found Chevrolet the most economical truck available. Its gasoline and oil consumption is

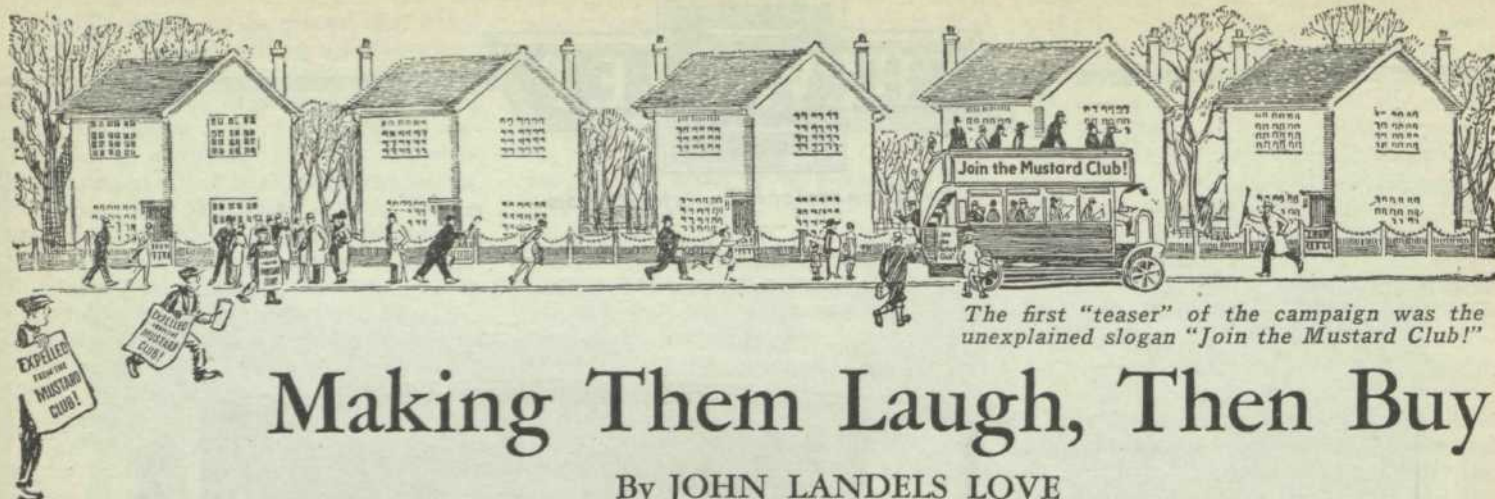
remarkably low—and its day-after-day dependability reduces maintenance expense to the very minimum.

Ask your Chevrolet dealer to explain the many quality features of Chevrolet Truck construction—such as AC air cleaner and AC oil filter, super-rugged rear axle, extra-leaved springs set parallel to the load and the rigidly-braced, deep channel steel frame.

A close inspection, followed by a trial load demonstration, will convince you that no other truck provides such beauty of appearance, such amazing performance and economy—at such low price!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation

WORLD'S LARGEST BUILDER OF GEAR-SHIFT TRUCKS



Making Them Laugh, Then Buy

By JOHN LANDELS LOVE

An English Firm Increases Sales by Putting Customers in Good Humor. The Method Is Not Unknown to America, Notably in the Colgate Campaign, with Its Whiskered Faces of Days Gone By

A THEOLOGICAL professor was fond of urging his students to make their hearers laugh.

"Get them to open their mouths," he advised, "and then you can put something in!"

That the suggestion can be adopted by more than budding orators is seen by its application in a recent advertising campaign for mustard that set the British Isles laughing from Land's End to John O'Groats.

In itself English mustard is not a subject for levity. It is one of the oldest and staidest of British institutions, as English as a Scotch regiment.

Mustard and Roast Beef

MUSTARD is the stuff that put English roast beef on the map. Over there beef and mustard are the Siamese twins, as immortal and inseparable as ham and eggs or plum pudding and brandy sauce. Bluff King Hal ate mustard and ever since it has appeared with distinction before every crowned head in the land. It flavors every meal, cures colds in the head and pains in the back. There are Englishmen who prefer a mustard sandwich without ham to a ham sandwich without mustard. Out of

this national regard for mustard has grown a giant industry, an industry that is entirely in the hands of one concern—J. and J. Colman, Limited, Norwich.

The Colman merchandising policy has always had two main pillars, the first being to absorb competition, and the second to advertise. The first objective was attained some time ago. One by one other mustard millers have "come in" to lose their identity in the all-absorbing name of Colman. Keen's, Robinson's, Sadler's—all at one time powerful names in the mustard world but now, with the possible exception of Keen's, which name, for reasons of their own, the house of Colman keeps alive in some overseas sections of the Empire, merged and lost in the greater patronymic.

Unchallenged in their field, without competition, with 100 per cent distribution of their product, why should J. and J. Colman trouble to advertise? For several reasons. First, because there is a new merchandising spirit abroad in the British Isles, born of a rapidly growing appreciation of American business methods, and which has taught the trader that while advertising can do excellent work in creating demand, it can do still better in keeping it alive.

Then, while the use of mustard is universal in Britain, there has been an idea, amounting almost to a religious conviction, that its use should be strictly confined to beef, with a possible exception in favor of pork and bacon. To take mustard with mutton, for example, was a faux pas comparable with the solecism of eating soup

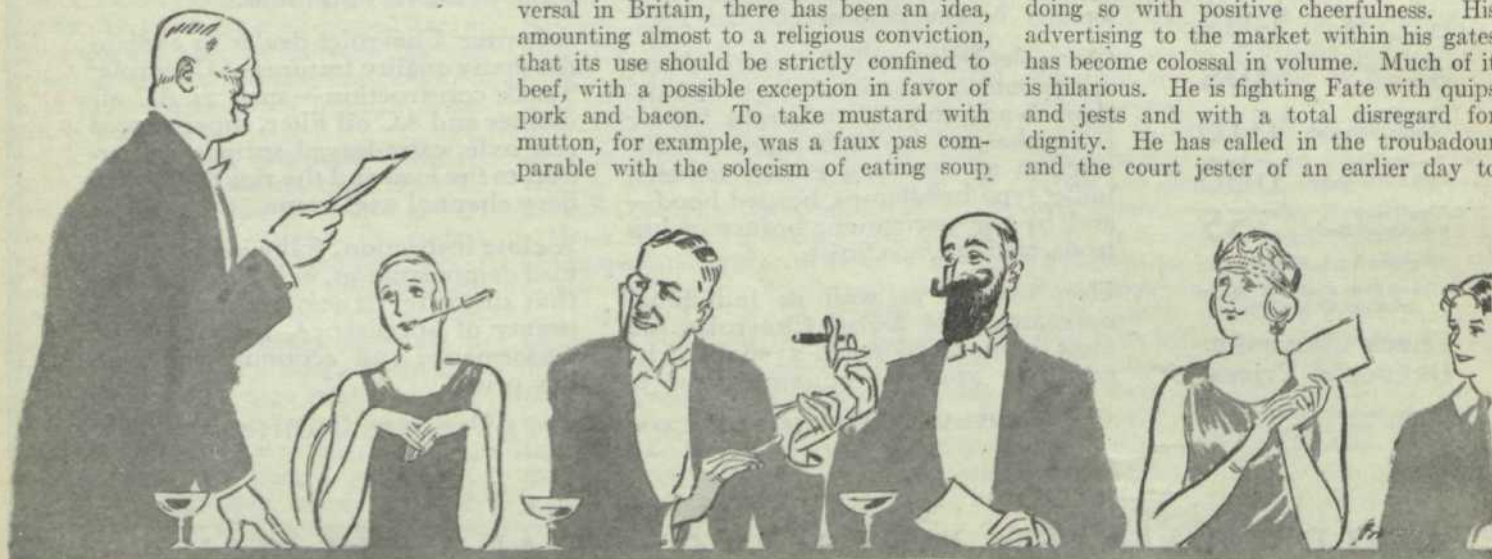
with the wrong kind of fork. This notion regarding mustard has been combatted successfully by the Colmans who, even if they had a monopoly, saw no reason why it should not grow legs and girth. They have for some years advertised that the universe will still function if Englishmen eat mustard with such viands as fish, fowl, mutton and macaroni.

This note in the Colman advertising reached crescendo in the "Mustard Club" campaign, a campaign that set the whole country smiling and made the mustard pot all but worthy of a corner in the national coat of arms.

Increasing Home Sales

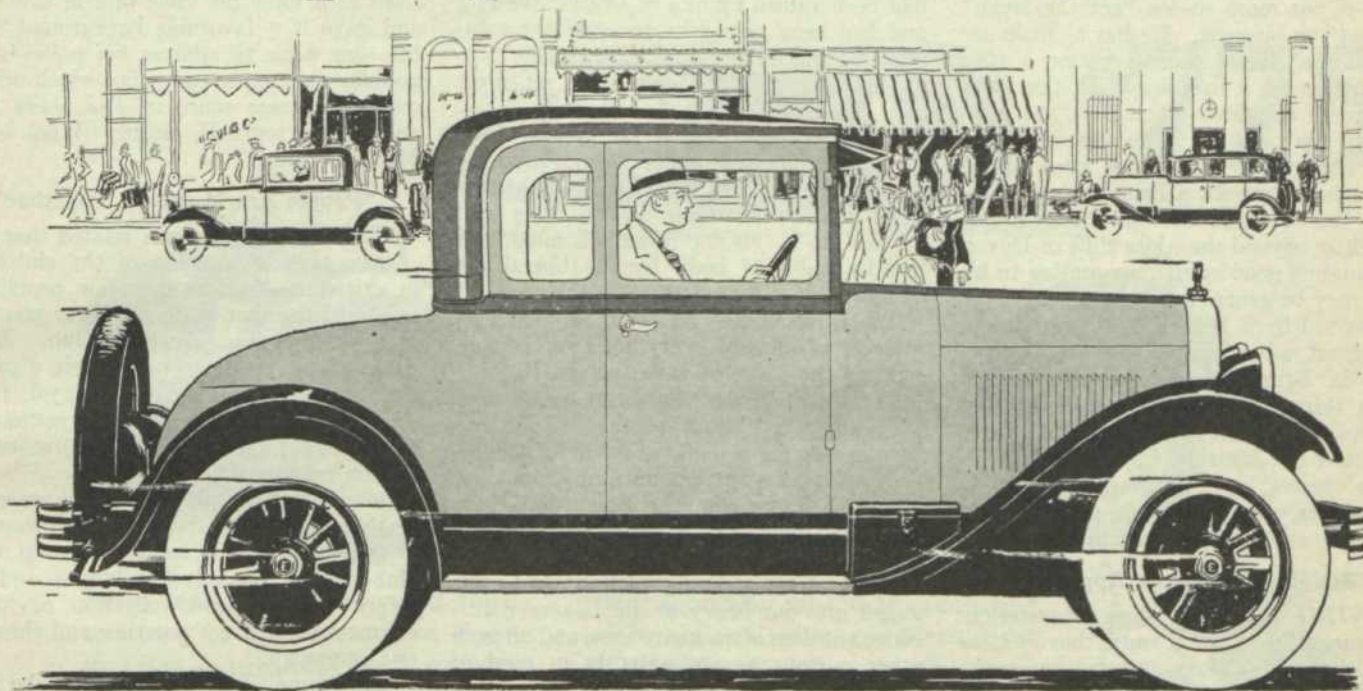
THE CAMPAIGN was symptomatic of the manner in which John Bull is going about business these days. Confronted with a greatly restricted export market he has turned to and is vigorously cultivating his own bit of land. Delving in one's backyard is an exercise that creates health and spirits, and to this fact may be attributed much of the Britisher's cheerfulness in shouldering his post-war burdens. His material reward is a home market developed to a degree never reached before.

Not only is John "carrying on," but he is doing so with positive cheerfulness. His advertising to the market within his gates has become colossal in volume. Much of it is hilarious. He is fighting Fate with quips and jests and with a total disregard for dignity. He has called in the troubadour and the court jester of an earlier day to



The officers of the Mustard Club, as shown in daily advertisements, included Baron De Beef, of Porterhouse College, Cambridge, as president; Miss Di Gester, secretary, and Lord Bacon, of The Rashers, Cookham, of the Board

This New-Type Business Car has Upkeep on the Downgrade



The Erskine Six Business Coupe puts quality transportation at the command of business at the lowest initial cost in automobile history. And that is only the beginning of its story of efficiency. Perhaps its greatest achievement is to be found in its economy of gas, oil and tires and the manner in which it has revised upkeep costs downward.

20 to 30 Miles to Gallon

The Erskine Six delivers 20 to 30 miles to the gallon of gasoline, with proportionate economy of oil. Extremely economical on tires, due to its lighter weight and remarkable chassis balance.

Its low upkeep cost is traceable to such refinements of design as its oil filtration system guarding moving parts from harmful grit and dirt—protection against road shock by a spring-base equaling four-fifths of its entire wheelbase. This rugged, staunch construction of the Erskine Six has been proved by thousands of miles of testing on Studebaker's 800-acre proving ground.

Mark its speed and power

The Erskine engine rapidly achieves 60-mile speed and holds it with express-train despatch. It accelerates from 5 to 25 mile speed in $8\frac{1}{2}$ seconds—lightning-quick on

ERSKINE SIX BUSINESS COUPE

\$945

Custom Coupe, \$995; Custom Sedan, \$995; Tourer, \$945

f. o. b. factory, including front and rear bumpers, self-energizing 4-wheel brakes.

60 miles per hour
20 to 30 miles to the gallon
5 to 25 m. p. h. in $8\frac{1}{2}$ seconds
Climbs 11% grade in high
Turns in 18-foot radius
Entire rear deck opens to big
baggage compartment

the get-away and a ground-coverer on the straight-away. Surging, buoyant power on the hills—it will take a stiff 11% grade in high gear with a full cargo aboard.

Handling ease that takes half the strain out of city driving—turning in an 18-foot radius—parking in inches.

Added safety plus comfort

Erskine Six bodies are all-steel, full-vision—no blind spots—full view of the road. Electrically welded into a unified whole. Powerful, self-energizing 4-wheel brakes give absolute car control. Ample leg and head room even for six-footers and 200-pounders. Rear deck raises, giving access to a big baggage compartment.

Please give this your personal attention

May we suggest that you personally try the Erskine Six, for only by first-hand experience can you learn what this evolutionary, new-type business car can do. Your knowledge of cars will quickly tell you that this Little Aristocrat sets a new mark of efficiency in business car design.

Equipment—Erskine Six Business Coupe: Self-energizing 4-wheel brakes; bumpers, front and rear; motometer; full size balloon tires; two-beam headlights; oil filter; rear traffic signal light; cowl ventilator; one-piece windshield; thief-proof coincidental lock to ignition and steering; automatic windshield cleaner; rear-vision mirror; hydrostatic gasoline gauge on dash; genuine leather upholstery; large luggage space.

ERSKINE SIX

(THE LITTLE ARISTOCRAT)

sell his bottled beer with sonnets, his meat extracts with rondels, his cocoas with cartoons, his tobaccos with triplets, his handkerchiefs with hilarity, and—his mustard with mirth!

Humor, as understood in Great Britain, has always been a feature of British advertising. A glance at the boardings would seem to suggest that, so far as posters are concerned, the Englishman is quite as eager—if not more so—to “get the laugh” as to get the business. He has as little use for a slogan that does not contain a play on words as for a ham sandwich that does not contain mustard. Puns are “the mustard” in his publicity! In the “Mustard Club” advertising humor has been forced to the limit—even for a British campaign—and if the wit does not cause convulsions of laughter beyond the white cliffs of Dover, the bounding good spirits, amounting to hilarity, may be generally appreciated.

Described by a British writer as “one of the biggest advertising jokes ever perpetrated in Britain,” the campaign opened with a thirty-two sheet poster in London and provincial cities with the words: “Have you joined the Mustard Club?”

This “teaser” was followed immediately by others on omnibus boards, asking: “Has Father joined the Mustard Club?”

“Spoof” Prospectus Appeared

HAVING allowed these mysterious queries to soak in until they became the subject of facetious conversation everywhere, a “spoof” prospectus appeared in the financial columns of the staidest and most conservative morning papers. This prospectus announced the issue by the Mustard Club (1926), Limited, of 1,000,000 10 per cent preference shares of £1 each, 500,000 extraordinary shares of the same value, and 1,000,000 hopelessly deferred shares of no par value.

In appearance this prospectus followed the very prosaic and conservative lines of such announcements, but in spirit and wording it was frank fooling. The subscription list was to close on or before the Greek Kalends. The directors were, the Baron de Beef, Lord Bacon, Lady Hearty, Signor Spaghetti, and Master Mustard; bankers, the Incorporate Bank of the Interior; solicitors (for the vendors) Gammon and Spinach, (for the Company) Healthy, Wealthy and Wise; auditors, Glossit, Over and Hope. The secretary was Miss Di Gester.

A lengthy “abridged prospectus” stated the company had been formed to take over the original Mustard Club

founded by Aesculapius, the God of Medicine, in the days of Ham and Shem, one of the earliest members being Nebuchadnezzar, who found mustard a welcome addition to his diet of grass.

The club was said to have nearly thirty million life members, all of whom found the consumption of mustard a source of great bodily profit. The premises of the club, taken over from the Baron de Beef, had been valued by him at £49,052 19s 11d, and had been placed by independent valuation at “no less a figure than £9,759.”

The objects of the club were set forth as:

The enrollment of all Grumblers, Curmudgeons, and such other persons who, by omitting to mustard their viands, have suffered in their digestions, and to bring such persons to a joyous frame of mind and healthy habit of body by the liberal use of mustard;

To exterminate all stiffness amongst athletes of all and every kind by demonstrating the value of the Mustard Bath;

To inspect public sandwiches and report when they contain no mustard, such sandwiches creating a backward flow of the digestive juices very detrimental to health;

To teach the younger generation there are three things worth keeping—a stiff lip, a straight bat, fit on mustard;

By inculcating the use of mustard to put ginger into our heavy-weight boxers, politicians, wielders of economy axes, and all such other persons as are patently in need of “mustarding up”;

A last objective was “to persuade everyone who is responsible for the dinner-table to mix mustard freshly every day.”

Responsibility of the directors was to be confined to taking their fees. Dividends when necessary (but not otherwise) would be paid out of capital. Shareholders were individually and collectively responsible for the debts incurred by the company, and by the Baron de Beef and Miss Di Gester. A form of application was attached and it was

stated that the minimum subscription on which the directors would proceed to allotment was one mustard seed.

Incredible as it may appear, many people failed to see the joke, and solemn asses wrote in gravely requesting further particulars of the issue. The publication of the spoof prospectus in the respectable financial pages of staid journals was a shrewd stroke that placed the Mustard Club in the forefront as a topic for table talk in Clubland, and gave it a favorable background when the time came to address *hoi polloi* in the popular newspaper campaign which opened with front-page space in *The Daily Mail* and similar journals, asking, “What is the Mustard Club?”

“People Are Mustered Together”

THESE announcements related that over two million branches of the club were in existence—“wherever a few people are mustered together at dinner, there you have a meeting of the Mustard Club. Every home where people respect their digestion is a branch. . . . The Cafe Royal, Simpson's in the Strand, and all restaurants where good food is enjoyed, are frequented by the members.”

Other displays played up the password of the club—“Pass the mustard, please.”

Later insertions presented a group of the club officers, possibly the largest and certainly the strangest collection of “trade characters” ever got together and shown in one campaign.

Next came “The Adventures of the Mustard Club,” and with the advent of that series the fun became fast and furious. Not even the Pickwick Club enjoyed more exciting experiences. Dickens, indeed, might have had a hand in this campaign, for it took up a public grievance which he also attacked but failed to remedy—the railway sandwich.

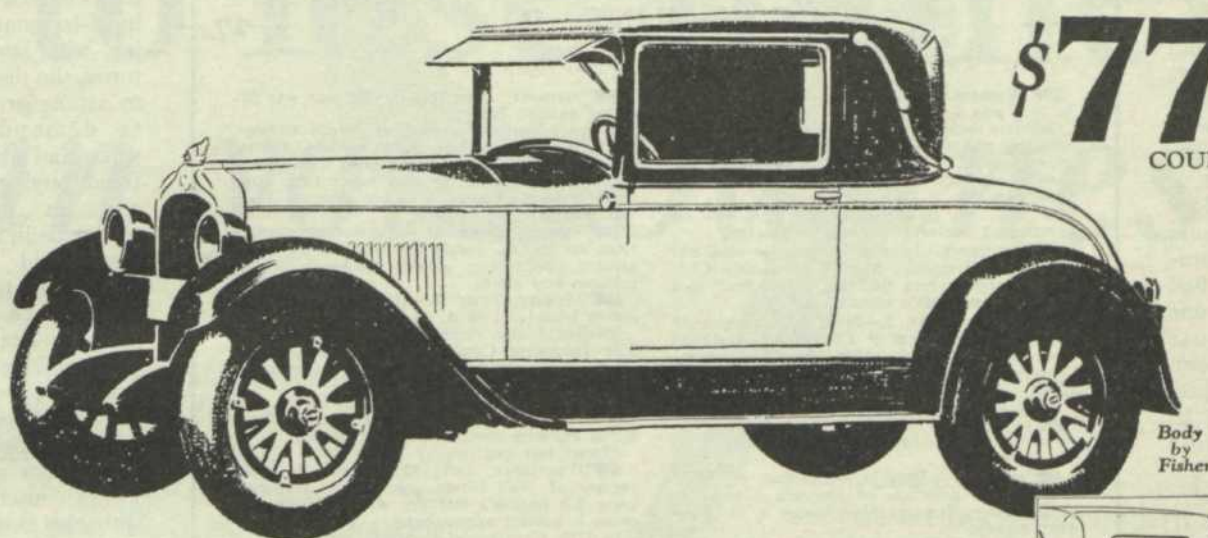
Until the advent of the Mustard Club, the alleged sandwich of the British railway restaurant held on its contemptuous

way. Its downfall was due to the arrest of the Baron de Beef for refusing to pay for a specimen on the ground that it contained no mustard. Immediately after the Baron's triumphant acquittal there was published a “Remarkable Sequel,” according to which the face of the sandwich world had been changed. There was as much fact as fiction in the statement—“Since the Baron's dramatic arrest, customers at sandwich bars have been opening their sandwiches and saying: ‘Hi, there's no mustard—don't you know I'm a member of the Mustard Club?’”



“The reading of the rules of the Mustard Club,” one of the series of advertisements which set England smiling

Not Merely a Car for Salesmen to Use . . . but a Car Designed for Salesmen!



\$775
COUPE

Body
by
Fisher

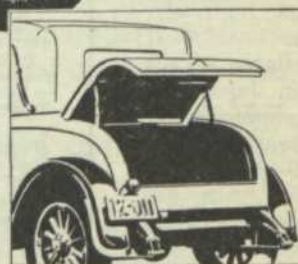
Every man who has traveled a sales territory in an automobile knows that just an ordinary car is not satisfactory for salesmen. They need cars designed especially for their use. That explains why the New and Finer Pontiac Six Coupe is gaining such great favor in the commercial field.

Take the large amount of space in the rear compartment as an illustration. Consider how the rear deck extends to the floor, providing for the easy installation of a "slip-on" type commercial body.

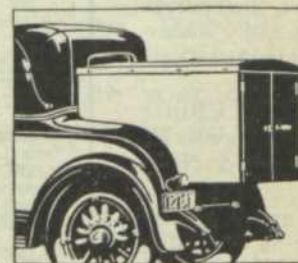
But even more important is the

strict economy which is combined with six-cylinder performance, stamina and utility in the Pontiac Six. Economy begins with the first cost, only \$775 for the Coupe, Sedan or Roadster, and is increasingly evident as mileage rises, while both operating and maintenance costs remain at a minimum.

Whether you are in the position of the salesman who will use the car or the executive who approves its use, be sure to inspect the Pontiac Six Coupe. Judged either for what it provides or what it costs, it stands equally high in its field!



Ample space in the Coupe for samples, advertising literature or other material is provided under the rear deck cover which extends to the floor.



When greater space is required, a special "slip-on" body in either express or closed panel type can easily be mounted without permanently altering the car.

Sedan, \$775; Sport Roadster, (4-pass.) \$775; Sport Cabriolet, (4-pass.) \$835; Landau Sedan, \$895; De Luxe Landau Sedan, \$975; De Luxe Panel Delivery, \$770; De Luxe Screen Delivery, \$760; De Luxe Delivery Chassis, \$585. Oakland Six, \$1025 to \$1295. All prices at factory. Easy to pay on the General Motors Time Payment Plan

OAKLAND MOTOR CAR COMPANY, PONTIAC, MICHIGAN

PONTIAC SIX



Mail the Coupon
Today

OAKLAND MOTOR CAR CO., Dept. K
PONTIAC, MICHIGAN
Please send us your valuable information
regarding operation of Salesmen's Cars.

Name

Address

City 6-27

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Today

What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER.

Ye Olde WALL STREET ALMANACK

19—

for JUNE

—27

(EASTERN STANDARD TIME USED)

WEDNESDAY, JUNE 1.—Sun rises 4:31 A. M.; sets 7:24 P. M.

Ordinary business makes way for weddings; ministers and rabbis report bull market; brunettes quoted above par in marriage mart; blondes a short sale as gentlemen show new preference.

In 1920, by proclamation of President all government control of wheat terminated.

THURSDAY, JUNE 2.—Business men not tired, says Ziegfeld. Mae West assures Chicago theater owners that the play "Sex" is a good business man's investment.

FRIDAY, JUNE 3.—Bond Club meets at Sleepy Hollow Country Club minus satirical Bawl Street Journal which has been discontinued; members read American Magazine instead.

In 1915, Supreme Court holds United States Steel Corporation "is not a monopoly, but concentration of efforts with resultant economies and benefits."

SATURDAY, JUNE 4.—Inmates of Mills Hotel refute assertion of Harvard Committee on Economic Research that money is in abundant supply.

In 1879 Ohio Democrats in convention platform demanded "full restoration of silver... as money metal."

SUNDAY, JUNE 5.—In 1794 an Act of Congress provided for taxes on carriages, on sales of liquors, on the manufacture of snuff, refined sugar, and on auction sales.

MONDAY, JUNE 6.—Jesse Livermore sells packing shares short on report that the Institute of Meat Packers in Chicago had urged the public in a new bulletin to eat proteins only sparingly.

Henry Ford challenges Aaron Sapiro to public debate on "Should the Jews Be Abolished?"

TUESDAY, JUNE 7.—Moon: First quarter. Sapiro accepts Ford's challenge.

WEDNESDAY, JUNE 8.—Ford cancels debate on account of hoarseness.

THURSDAY, JUNE 9.—Photomaton, Inc., merges with American Beauty Parlors, Inc., making a horizontal trust; inventory of cold cream, nail polish, and lipsticks to be used as a basis of a collateral trust bond issue.

FRIDAY, JUNE 10.—Sun rises 4:28 A. M.; sets 7:30 P. M.

In 1950, United Cigar Stores Contributes \$50,000 to funds of United States Anti-Cigarette League.

SATURDAY, JUNE 11.—G. L. Ohlstrom, 32 year old captain of finance, specialist in water bonds, attacks writer of success story who inadvertently reported that Mr. Ohlstrom's specialty was watered stocks.

SUNDAY, JUNE 12.—Mortimer H. Schiff, executive of the Boy Scouts of America and head of the banking firm of Kuhn, Loeb & Company, in an address on Roumania, says Marie is good scout.

MONDAY, JUNE 13.—Attorney General, in reviewing legal proceedings in Federal and state courts, regrets disagreement in Daugherty case, but boasts that Prosecution Got Verdict Against Sacco and Vanzetti in Massachusetts.

TUESDAY, JUNE 14.—Small fry speculators, who have been wiped out by intermediate reaction in the stock market, get no real thrill in reading in newspapers that the technical position of the market has been improved and that stocks are now in stronger hands.

WEDNESDAY, JUNE 15.—In the Chancery Court in New Jersey, weak sisters on Stock Exchange sue bankers for support.

Full Moon.

THURSDAY, JUNE 16.—Sun rises at 4:28 A. M.; sets 7:33 P. M.

John Smith, New Broker, Answers Query, "What Price Special Privilege" by paying \$201,000 for opportunity to trade on the floor of the Stock Exchange without paying commissions; May be Record Price for Privilege of Going Broke.

FRIDAY, JUNE 17.—President of the Stock Exchange Denounces Tendency of Rich Americans to Gamble at Casino in Monte Carlo; Thinks Domestic Exchanges Are Entitled to the Business.

In 1864, a "gold bill" was enacted to prevent wagers in the price of gold in the United States.

SATURDAY, JUNE 18.—In 1812 war was declared against England.

In baccalaureate sermon at Smith College, A. B. See, who is bearish on women, advises graduates that, if they must kiss, they should only kiss gentlemen for they never tell. Amherst Students Query Whether Slur on them was intended.

SUNDAY, JUNE 19.—Bankers, returning from six months round the world cruise, urge greater production; attack tendency toward softness and sloth.

MONDAY, JUNE 20.—High tides at Governors Island: 11:43 A. M.; 11:50 P. M.

Edward Jones, Veteran Agent for New York Life Insurance Company, Drops Dead from shock when cold prospect indicates that he is eager for a policy.

TUESDAY, JUNE 21.—Longest day in year for margin speculators in board rooms who watch favorite stocks react five points.

Moon: last quarter.

WEDNESDAY, JUNE 22.—Fourteenth anniversary of Wall Street quip that a customer knew his banker's left eye was artificial, because it seemed sympathetic.

In 1775, Continental Congress voted issue of paper money up to \$2,000,000, based upon credit of the thirteen colonies.

THURSDAY, JUNE 23.—Lira goes one quarter of a cent higher to new peak as Mussolini Economizes by taking over tenth Post-Ministry of Finance, Saving Outlay of Salary to Count Volpi.

In 1913, before tariff bill had passed, President Wilson notified Congress in a second special message that reform of the currency and banking system was "absolutely imperative."

FRIDAY, JUNE 24.—Dr. Will Durant Exchanges Right, title and interest in "The Story of Philosophy" for William C. Durant's holdings in Durant Motors, Inc.

SATURDAY, JUNE 25.—In 1910, Congress authorized the establishment of the postal savings system.

SUNDAY, JUNE 26.—High tides: Governors Island: 5:24 A. M. and 5:37 P. M.

MONDAY, JUNE 27.—Senator Heflin, of Alabama, in speech before American Defense Society, Urges Secretary Mellon to Foreclose on French Treasury for non-payment of war debt on Bastille Day.

In 1834, Levi Woodbury of New Hampshire Appointed Secretary of the Treasury by President Jackson.

TUESDAY, JUNE 28.—Stock Exchange Broker, after Market Reaction, telephones Customer Who Heeded Broker's Assertion "You Can't Lose" and informs him that he has been wiped out by a technical reaction.

New Moon.

WEDNESDAY, JUNE 29.—In 1864 Chase Resigned As Secretary of the Treasury.

Harry Hershfield, Producer of Abie the Agent, in address before Bronx Chamber of Commerce, Tells Story About Woman who goes to physician and complains as follows: "I have an earache, a toothache, a pain in my stomach, palpitation of the heart—and personally I don't feel very well."

Associated Laundries stock Soars to new peak on Curb as Cantonese Slaughter 10,000 Residents of North China; Interested Brokers Deny Rumor of Wash Sales.

THURSDAY, JUNE 30.—Marcus Loew, capitalist and owner of "Slide Kelly, Slide" issues ukase against vaudeville actors who make the wise crack about a letter carrier was mistaken for a confederate soldier and shot. Bans joke for one year.

Butter and Egg Men In Conference, Advocate higher prices for eggs; Assert Each Egg represents a full day's work for a hen.

One hundredth anniversary of the discovery that a banker is a man who borrows money at 2 per cent interest and lends it at 6 per cent.

In 1812, an issue of treasury notes was authorized for immediate wants and customs duties were doubled.

Shipping stocks soar as eastbound tourists on fifteen ocean going liners pull outside of the twelve mile limit.

Brokers Send Out Cards wishing customers a happy fiscal new year; inquire how good wishes, offered a year ago, turned out.

that basic underlying factors are making for safety and comparatively good times. Scientific banking and abundant credit resources, hand-to-mouth buying, with low inventories, the disposition to attune production to demand, high wages and widely diffused buying power, and an improved technique in management and quicker and surer transportation are among the important factors making for a prolonged period of stable, boom-less prosperity, which has been under way, despite intermediate setbacks since 1922.

The great expansion in the automobile industry, the rapid development of the electric light and power industry, and the disposition to rebuild the nation after the war-time shortage had been made up have been the leading avenues through which the energy and venturesomeness of the people have been expended.

Business competition is increasing and a variety of results are reported by business concerns. The strongest and most efficient units in favored industries are alone reporting peak profits; others have had difficulty in remaining in business. Many of the smaller concerns complained of a narrowing margin of profits, as commodity prices continued gradually to recede. The result is not only an increased array of business mortalities but also a heightened tendency of the survivors to meet conditions through mergers and consolidations. Accordingly, there is a wide

BUSINESS prosperity in the United States has been through a baptism of fire in recent weeks.

If it had been frail it would have been unable to withstand the ordeal. The test which indicated that business is shock proof came in the form of a series of incendiary developments at home and abroad. If the business structure had been weak, any one of the incidents would have been enough to have precipitated a crisis. In the past, business depressions started for less impressive reasons.

A collapse of silk prices in Japan was the forerunner of the American deflation of 1920-21, but that Japanese crisis was innocuous compared with the recent bank troubles and moratorium in Nippon. When business men are not overextended, however, their nerves are less easily shaken by events in the outside world.

War in China, critical relations with Mexico and Nicaragua, a soft coal strike, and the overflowing of the Mississippi River, bringing new and devastating losses to the South, which had earlier been subjected to the strain of collapsing cotton prices and the bursting of the land boom in Florida, were all incidents that in the past might have been looked upon as legitimate excuses for having a major downward swing in business.

And yet, though jarred, business prosperity continues serenely, if somewhat irregularly.

The inevitable inference seems to be

Who has authority to lose money in your business

NO ONE! But investigate and you may find that someone has been losing money for you, month after month and year after year. Perhaps that someone, unintentionally, is yourself.

You adopt, as a matter of course, modern factory methods and modern factory equipment which will enable you to cut down your selling price. You would not tolerate for an instant the use of wasteful and old-fashioned methods of production.

But is this true of your office? Or are you still using accounting methods, which, on account of limited facilities, were accepted in the past, but which are now as out-of-date as factory methods twenty years old?

If so, you are losing money every day, either because someone in your organization is not familiar with recent developments in accounting, or because you as a higher executive

have not found time to give this vital problem your personal consideration.

For one of two things must be true if you are not using modern mechanical figuring equipment. Either you are not getting the vital figure-facts you ought to have at the time you ought to get them; or you are paying too much for the figure-facts you get.

Don't wait for someone to come to you. Investigate! Call in the local Burroughs man today. Welcome his helpful and willing counsel. Let him show you on your own work what Burroughs can do for you and save for you.

For whatever your business may be, large or small, retail or wholesale, manufacturing or professional, no one has authority to lose money by faulty, costly and out-of-date accounting methods, when Burroughs up-to-date equipment will cut down cost and add to profits.



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in all Principal Cities of
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diversity of current opinion as to how good current business is.

It is bad for the slovenly, the incompetent, and the inefficient. And yet the leaders in mass production, in efficient distribution, and in expert management are reporting excellent earnings. In spite of the spottiness of trade, there is still reason to expect that, when the final record for 1927 is available, it will reveal another year of huge volume and substantial profits for the fit.

GEORGE E. ROBERTS, vice-president of the National City Bank, brings the following expert testimony:

The general business situation continues to justify all reasonable forecasts made of it at the beginning of the year. Not all developments have been satisfactory, but the balance of influential factors continues to be of favorable character. Eastern trade has been good where weather conditions have permitted, and bank debits and railway traffic have indicated distribution generally to be in large volume.

That business generally looks forward to the maintenance of activity during the current quarter is indicated by the estimates of car requirements submitted to the railroads by shippers' advisory committees in different parts of the country which anticipate a commodity movement in most lines equaling or slightly exceeding that of a year ago.

... The elimination of concerns unable to sustain themselves against the competition of more progressive rivals always has been going on, but with more rapid development in the technique of industry, greater incentives to mass production and increased supplies of capital at the command of successful enterprises the movement inevitably is speeded up.

Is American business on a new basis, free of future periods of depression and crisis?

Has the old-fashioned business cycle been relegated to the limbo of obsolete conceptions?

Are the well-managed concerns going to have an uninterrupted period of prosperity from now on?

These are searching and fundamental questions.

Business leaders are preaching a new gospel of stability. Clarence M. Woolley, president and chairman of the American Radiator Company, has remarked that the business cycle has been adjourned. Judge Elbert H. Gary, chairman of the United States Steel Corporation, has expounded a similar doctrine in his paper on Business Cycles Versus Common Sense.

These interrogations, though of profound practical importance, are issues for the statistical laboratory, rather than for the ordinary workshop. They are questions for the business philosophers, rather than for the shirt-sleeve practitioners of commerce.

THE SAGES at Cambridge, Mass., looking into the crystal ball, have made their oracular pronouncement, on the authority of the Harvard Committee on Economic Research, as follows:

In the past, periods of active business have always given way to periods of depression, and it is hazardous to conclude today that general prosperity is going to last indefinitely. In particular, we should not expect the federal reserve system to prevent depression

from ever occurring, since central banks in Europe were never able to accomplish such a thing. Moreover, the extraordinary strong position of our banking system has been chiefly the result of the accumulation of gold in this country, and there is no assurance that world economic conditions may not later lead to a substantial outflow. Nor is there any assurance that, if most people come to the conclusion that depressions are impossible, an old-fashioned boom might not speedily develop and bring with it the old-fashioned sequel—a depression. Clearly, however, such developments are not in immediate prospect; and we believe that business (despite intermediate fluctuations like those of recent years) will remain generally active so long as easy money continues.

A BASIS for current optimism is the fact that business is not yielding to the normal temptations of prosperity. Declining commodity prices and heightened competition have been keeping business men from the excesses that prosperity used to breed. Widespread searching for signs of an adverse turn in business conditions is helping to keep the situation liquid and ready for any contingency. By thus discounting adversity, business seems able indefinitely to postpone it.

IN THE American credo, it is assumed that presidential years inevitably bring business recession. Will there, therefore, necessarily be a slump in 1928?

I believe that business next year will be influenced primarily by economic, rather than, political forces. I have inspected the annals of American business since the founding of the Republic, and have found that out of 34 presidential years 14 were years of unquestioned prosperity, 11 were years of depression, and 9 were uncertain, marked by irregularity and fluctuating conditions.

Col. Leonard P. Ayres, soothsayer of the Cleveland Trust Company and one of the most brilliant of the business analysts, published preliminary data several years ago, indicating that neither the Republicans nor the Democratic Party had a monopoly on business prosperity.

It is too early to deal with specific personalities, but thus far no looming figure on the political horizon seems conspicuously dangerous, from a business standpoint. No one even as radical as the late Robert F. La Follette seems to have a ghost of a chance for serious consideration. Business would perhaps feel safest of all with Coolidge, who is a known quantity in the equation of politics. Governor Frank O. Lowden, who is the next best bet among the Republicans, is considered sound on business issues, with the possible exception of the farm problem. Alfred E. Smith, as four times Democratic Governor in New York, has never been unfriendly to legitimate business interests. William G. McAdoo, builder of the Hudson Tunnels, knows business from within, and though perhaps less acceptable to business men than any other leading aspirant, with the possible exception of Senator James A. Reed, of Missouri, he constitutes no serious business menace.

THE CONFLICT between two business philosophies has been dramatized in the new and heightened competition in the

automotive industry. The General Motors Corporation has symbolized the open mind, anxious to keep abreast of the development of the art. On the other hand, Henry Ford and some of the other pioneers have taken a more static viewpoint, holding that once you get a good, economical model you should stick to it.

For a time, the second viewpoint was eminently successful. The main problem seemed to be celerity of production.

But the industry appears to be outgrowing that philosophy. The art and science of automobile manufacture have developed with such startling rapidity that the stand-patters find themselves making more or less obsolete products.

Accordingly, there is a clamor to get aboard the band wagon of progress. Even Ford, according to reports, is considering significant changes. Dodge Brothers, who likewise used to resist too many new-fangled notions, are now shouting to the consumer world about their efficacious innovations. Hudson, which was apathetic to the new vogue for vividly colored bodies, hastened to meet the market's insistence on less sedate hues.

In the drama of trade, General Motors has typified organized big business. On the other hand, Ford has stood for individualism in business. It was a case of organized brains and talent—the best that could be picked up in the market place—pitted against eccentric genius. Thus far, General Motors has done pretty well in the competitive struggle.

Shortly after the armistice, the du Ponts of Delaware bought a substantial interest in General Motors Corporation—presumably on the recommendation of John J. Raskob, brilliant young financial lieutenant of the gunpowder makers. The du Ponts acted through J. P. Morgan & Company, which itself took a large stock interest in the corporation in 1920 when with the du Ponts they bought the "distress holdings" of William C. Durant, who for the second time lost control of the company which he had visioned and launched. The new management quickly set to work to reorganize the company, eliminating duplication among the various units, reducing waste, and instituting numerous economies. It found new ways to achieve the benefits of consolidation. For example, it handled the cash of all manufacturing units through the New York office, instead of permitting each to keep independent balances.

The policy was to hire the best engineering and sales talent available; to make abundant expenditures for research in the laboratory and for testing actual products on the proving grounds. The General Motors management was perpetually dissatisfied with last year's models, and eternally convinced that better cars can be progressively designed and manufactured. Instead of fostering one-man domination, the new owners believed that the leading executives and the employees ought to have a sizable stock interest in the business and accordingly liberal plans along that line were promptly worked out.

General Motors is an outstanding example of the new leadership in big business. Its spirit and policies stand in contrast to the heterodox business philosophy of the

Accra, Gold Coast Colony, West Africa, is the scene of operation of this International Speed Truck. The drawing is made from an actual photograph; the building in the background being the Accra Post Office.



All over the world they rely on these trucks because they are Internationals

WHEN you are thinking of buying a truck or several of them, know all you can about the trucks but above all know their maker.

If you know a lot about truck mechanism you will be interested in the design of the engine, the style of the clutch, the type of the drive, and other mechanical features. And the more you know about these things the better you will like International Trucks. Their individual features of construction make these

trucks stand out in any comparison and stand up on any job.

And even if you know nothing at all about trucks you can buy Internationals with all the confidence of an expert. You are perfectly safe in judging these trucks by their maker, for International Trucks are built by an organization that has been building good trucks for twenty-three years—an organization whose history goes back almost a century.

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The International line includes the Special Delivery for loads up to $\frac{3}{4}$ -ton, 4 and 6-cylinder Speed Trucks of $1\frac{1}{4}$ -ton and $1\frac{1}{2}$ -ton sizes, Heavy Duty Trucks ranging from $1\frac{1}{4}$ -ton to 5-ton sizes, Motor Coaches, and McCormick-Deering Industrial Tractors. Company-owned branches in different countries throughout the world and in principal cities all over America

Our 128 branch houses in the United States are located in the cities listed here; and in addition there are dealers from one end of the country to the other.

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Buffalo, N. Y.
Cairo, Ill.
Camden, N. J.
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Cedar Rapids, Iowa
Charlotte, N. C.
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Cheyenne, Wyo.

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Cleveland, Ohio
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Detroit, Mich.
Dubuque, Iowa
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East St. Louis, Ill.
Eau Claire, Wis.
Elmira, N. Y.

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Evansville, Ind.
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Green Bay, Wis.
Harrisburg, Pa.
Helena, Mont.
Houston, Texas
Hutchinson, Kan.
Indianapolis, Ind.
Jackson, Mich.

Jacksonville, Fla.
Jersey City, N. J.
Kankakee, Ill.
Kansas City, Mo.
Knoxville, Tenn.
Lincoln, Neb.
Little Rock, Ark.
Long Island City, N. Y.
Los Angeles, Calif.
Louisville, Ky.
Madison, Wis.
Mankato, Minn.
Mason City, Iowa
Memphis, Tenn.
Milwaukee, Wis.
Minneapolis, Minn.
Minot, N. D.

Nashville, Tenn.
Newark, N. J.
New Haven, Conn.
New Orleans, La.
New York, N. Y. (3)
Ogden, Utah
Oklahoma City, Okla.
Omaha, Neb.
Parkersburg, W. Va.
Parsons, Kan.
Peoria, Ill.
Philadelphia, Pa.
Phoenix, Ariz.
Pittsburgh, Pa.
Portland, Me.
Portland, Ore.
Providence, R. I.

Quincy, Ill.
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Richmond, Va.
Rockford, N. Y.
Rockford, Ill.
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St. Joseph, Mo.
St. Louis, Mo. (2)
Salina, Kan.
Salt Lake City, Utah
San Antonio, Texas
San Diego, Calif.
San Francisco, Calif.
Scranton, Pa.
Shreveport, La.
Sioux City, Iowa

Sioux Falls, S. D.
South Bend, Ind.
Spokane, Wash.
Springfield, Ill.
Springfield, Mass.
Springfield, Mo.
Springfield, O.
Syracuse, N. Y.
Terre Haute, Ind.
Toledo, Ohio
Topeka, Kan.
Utica, N. Y.
Waterloo, Iowa
Watertown, S. D.
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When buying INTERNATIONAL TRUCKS please mention Nation's Business

sage of Dearborn, who believes that stockholders are parasites, that it is unsound to seek outside capital for expansion, and that Wall Street is one of the principal roots of evil.

Henry Ford achieved an extraordinary and miraculous success by defying most of the conventional rules of business leadership. General Motors, on the other hand, has done well enough by applying the best wisdom of normal, orthodox, and competent individuals. Since the latter part of 1925, Chevrolet sales have been pointing upward, whereas Ford sales, it is understood, have been declining. The Ford Company discontinued the publication of monthly figures of production as soon as they ceased to be good publicity.

IN CONNECTION with "there ought to be a law" epidemic, J. M. Davis, president of the Delaware, Lackawanna & Western Railroad, says that it is almost impossible not to be a technical violator of the law these days. He decried the unwillingness of legislatures to repeal laws which have outlived their usefulness. He said that he had been informed that there was still on the statute books of the commonwealth of Massachusetts a law which forbade householders to have bath tubs and run pipes from them into the street. The law, he said, was a survival of pre-sewage days, and originally had a legitimate basis as a sanitary measure.

A cigarette maker advises the younger generation to "ask dad" on the theory "he knows." Fathers, however, are human, too, and are subject to error. When the president of the Lackawanna sought to make his debut in railroading thirty-nine years ago as a wielder of a shovel in a construction gang near his home in Dallas, Texas, his father disapproved. He had hoped that his son would complete a college education and enter one of the learned professions.

Apart from such material success as he has had, Mr. Davis likes his work, and has not regretted his choice.

IN THIS jazz age, which has been characterized by short skirts, bobbed hair, bootleg whisky, and tabloid journalism, there have been some compensating factors. With exposure to the facts of life, there has been a rising level of sophistication. The movies and the radio, of course, have contributed to a common awareness throughout the country. In the process, the old-fashioned yokel has tended to become extinct. At any rate, the class does not seem to be reproducing. Young folks are not only freer, but in some respects are also perhaps wiser. Even in financial matters, though the birth rate may not have altered radically since P. T. Barnum made his computations, there is evidence that the small investor has become more alert and discriminating.

At least, that is the belief of the Better Business Bureau of New York City. In the fifth annual report of that organization, H. J. Kenner, general manager, says:

The growing sophistication of the average citizen in matters of investment is one of the fruits of this work. Although prosecution and publicity have been the principal avenues of approach, the quiet distribution of facts to inquirers who have heeded the Bureau slogan

"Before You Invest, Investigate" and the application of these facts to correct specific conditions have been highly effective. Blue sky promotions in radio, motion pictures, motor cars, and oil; bucket shops, blind pools, fake subscription rights, and reloading schemes no longer flourish as the green bay tree.

The public's increasing sophistication, if not a cause, has been concomitant to the abandoning of crude types of stock swindling on a big scale by most of the professional promoters and bucketeers.

The whole tendency in American business is to seek to eliminate the element of gamble. Even the venturesome, optimistic, half-grown-up motion picture industry is fast moving in the direction of stability. The big producers, by way of illustration, give pre-release showings of new motion pictures in representative communities on the Pacific Coast to observe the audience reactions. They then recut their cloth in accordance with public tastes, pruning, adding and revising in ways that seem necessary. Adolph Zukor told me that Anglo-Saxon audiences will invariably laugh at precisely the same points in a picture, but that Latin audiences may react differently.

IN SPITE of moderation in most industries, the tourist trade expects another boom season. There probably will be record-breaking imports this summer of impressions concerning the Pitti and Uffizzi art galleries in Florence, the exteriors of the Milan Cathedral and St. Peter's in Rome, and the shops in Paris. The extravagant expenditures of Americans overseas help the European nations to liquidate their war debts. The tourist at least has the satisfaction of knowing that he is a factor in righting the exchanges.

As Will Rogers remarked in Cochran's Revue in London last summer, Americans now go abroad to celebrate the freedom they won in the Revolutionary War. Tourism may help to improve international understanding, although it is easy to exaggerate the beneficent effects. Many travelers steel themselves against the hazard of absorbing valuable information by confining themselves to the rubber-neck buses and the alluring shops. And yet the net effect of the new vogue for foreign travel is likely to make for a new sympathy and understanding among various peoples. Even the most superficial tourist gets a more authentic impression of the Frenchman, the Italian, and the German than stay-at-homes who learn about racial differences only from the Keith-Albee or Loew circuits.

THOMAS W. LAMONT, who used to be a copy reader for the New York Tribune, has long been spokesman for the House of Morgan, of which he has been a partner since 1911. He is unquestionably one of the suavest and most gracious figures in Wall Street, and yet he gets along none too well with newspaper men. Mr. Lamont carries in his head secrets of negotiations of world-wide importance, and naturally cannot yield to the importunities of every reporter.

The present J. P. Morgan, a handsome, powerfully built individual, of genial manner, frequently chats informally with financial reporters, particularly on questions in

foreign exchange in which he is especially interested, and on current matters which he himself happens to be handling. Out of loyalty to his father, the late J. Pierpont Morgan, the present head of the House on the Corner, however, gives no audiences to employees of William Randolph Hearst.

The feud dates back to the heyday of yellow journalism when the Hearst press committed lese majeste by publishing a cartoon of the late Mr. Morgan's nose. In the Morgan firm, there is a strong family tradition, and a sense of acute loyalty on the part of son to father. The present "J. P." represents the third generation of the firm, which was started by his grandfather, Junius Spencer Morgan, which incidentally is the name of the son of the present head of the house.

Although the late J. Pierpont Morgan is recognized as the outstanding genius of the firm, the concern has risen to its greatest stature since his death in 1913. The war, which made America the leading creditor nation of the world, imposed new and unprecedented responsibilities and opportunities on the Morgan firm, which almost from the outset banked heavily on their faith in the destiny of the Allies. No other banking house in the world's history has financed sovereign governments on the scale that the Morgan firm has since 1915. The Morgan name is a symbol of banking power throughout the world.

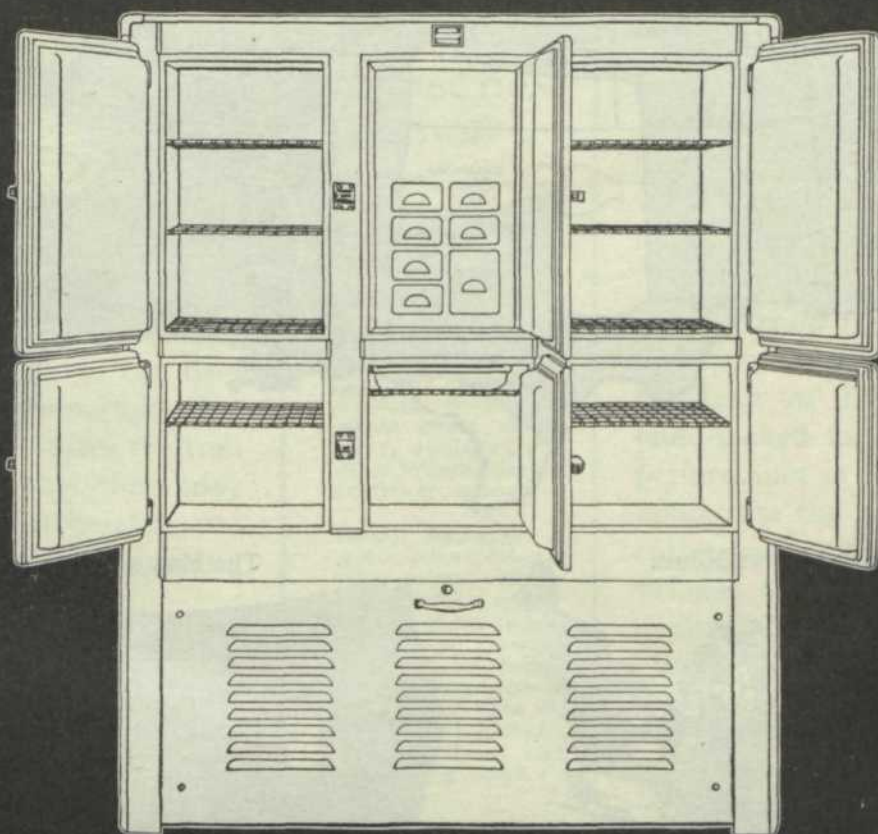
IN THIS age of superlatives and headlines, few can dispute Joseph P. Day's claim to being America's leading auctioneer. He has a strange facility for making those who clamor around his tents believe that they are cheating their heirs if they don't acquire title to some vacant lots.

Here is the New York auctioneer's autobiography in a paragraph:

"I began as an office boy in the wholesale dry goods establishment of James Talcott at a salary of \$1.92 a week, \$100 a year, or at the rate of \$11.52 for six weeks of long hours and hard work. I worked six weeks to sell the Remington Arms Plant at Bridgeport, Conn., for \$5,850,000, and my commission was \$292,000. This comparison demonstrates the difference in the earning capacity of a man in two separate periods of six weeks during his business career—but it took the resourcefulness of twenty-five years of active experience to put this six weeks' deal through. I have said that I started as an office boy with James Talcott, but I did not remain one very long. It was my ambition to be a salesman. In order to become one I spent all my spare time studying samples, learning prices, and watching how things were done, until I became as well informed as the men who were actually selling goods. Finally, I was promoted to a junior salesmanship, but it was several years before my salary amounted to \$10 a week. Then I asked for a raise and when it was declined, I left the firm to join a former Talcott employe who had opened a real estate office on a small scale. I became his partner by putting in \$500. Eventually we separated and I continued the business in a little office in 8th Avenue, in the '50's. Since that day I have handled real estate worth in the aggregate hundreds of millions of dollars."

Copeland

DEPENDABLE *Electric* REFRIGERATION



The model illustrated is the Copeland CS 16-23

STUDY the electrical refrigeration business and the first thing you will decide is that you wish you were in it. The second will be that you wish you were in it with Copeland. Pick the preferred products—and high among them you find Copeland. Consider nationwide organization—and Copeland's will impress you. Investigate finan-

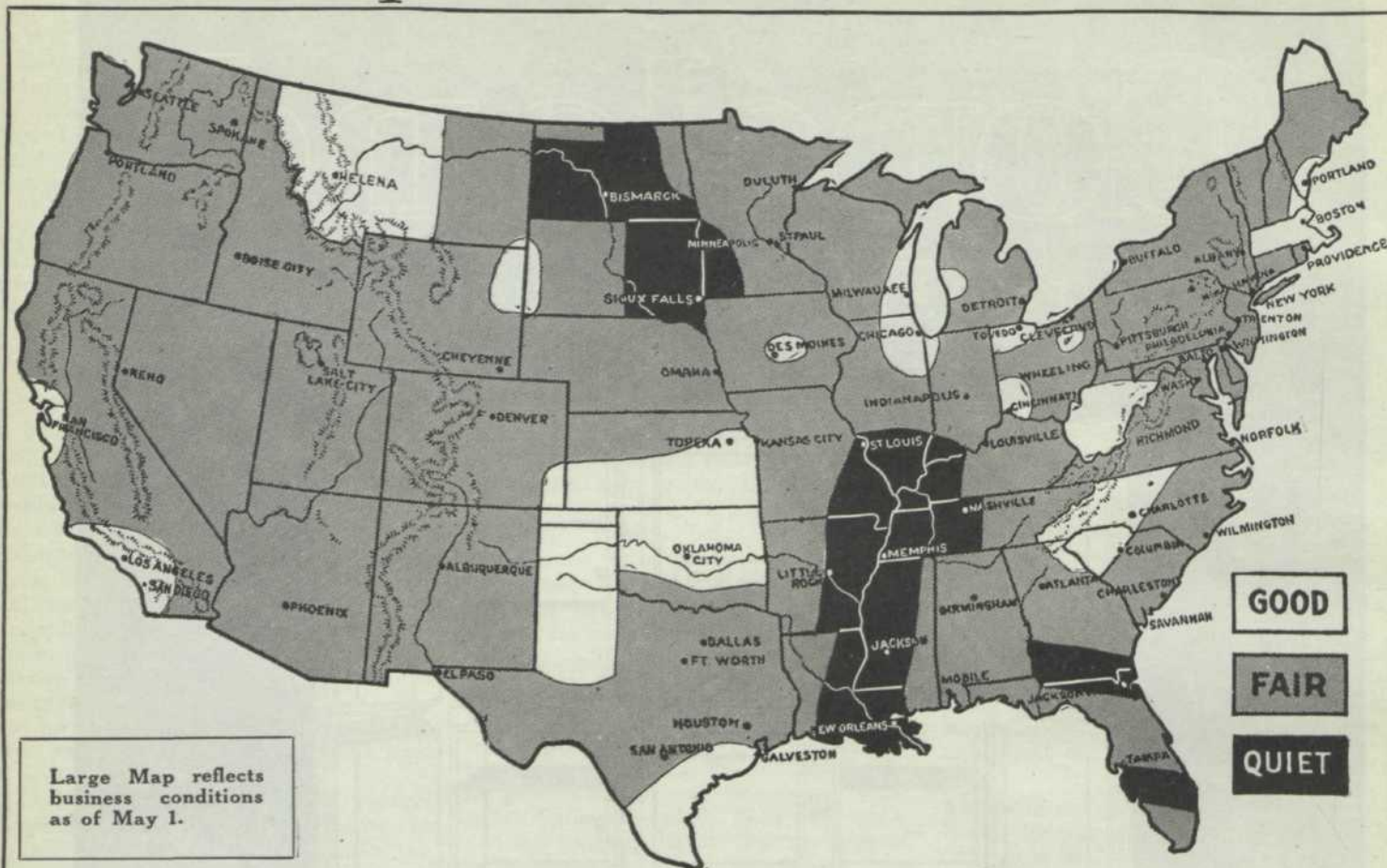
cial strength, leadership, business methods—and Copeland's will have your confidence. And so it is only natural that Copeland franchises are being sought by those who recognize the unusual opportunity which the electrical refrigeration business offers today to able, aggressive distributors and dealers.

COPELAND, 630 LYCASTE AVENUE, DETROIT, MICHIGAN



When writing to COPELAND please mention *Nation's Business*

The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



HE WOULD BE a captious critic who could not find in the mass of information regarding business now available many things to support his view of business whether favorable or otherwise. The words irregular, spotted, mixed, varying and a variety of others have been pretty well overworked.

With full credit to the earlier months for their kaleidoscopic changes, however, a big measure of credit for quick moving in apparently diverse directions must be given to April and the early part of May. Trade and industry, as a whole, appear to be just a little bit off the top, whether one of the active months of last fall is selected as the top, or if comparison is attempted with last year at this time.

On the favorable side will be placed
The continued strength of the markets

By FRANK GREENE

Managing Editor, "Bradstreet's"

for stocks, bonds and other investments;

The active production and sale of iron and steel in recent months;

The advance of the season, bringing with it warmer, settled weather in the eastern half of the United States;

The favorable appearance of the crops sown last fall;

The increase of outdoor activities, made possible by better weather in some areas;

The enormous domestic and foreign demand revealed for raw cotton and the proof that an immense domestic demand for cotton goods has materialized;

The early opening of navigation on the lakes, which has facilitated a freer move-

ment of wheat for export, of iron ore for the furnaces and of coal for the northwest;

The occurrence of a late Easter, which enlarged the month's business above a year ago.

On the unfavorable side of the picture stands at the top the excessive rains mainly on western watersheds which resulted in what is said to be the most disastrous flood in the Mississippi Valley. Even where floods did not actually endanger life, destroy crops or other property, or paralyze business, excessive rains certainly retarded western and southwestern rural trade, made most country roads impassable for longer or shorter periods, delayed crop planting, and held business in those areas generally within narrower than usual limits.

Other unfavorable features included
Another decline in building permits

"Repeat Sales"

The common problem of every business man

"Repeat Sales" . . . the common problem of every business man interested in the great New York Market whether he be salesman or sales manager, advertising manager or treasurer, president or vice-president.

Repeat Sales require something besides the salesman in the field . . . he is just one important part of the picture. He blazes the trail and keeps it open that there may be a free flow of merchandise, uninterrupted and in increasing volume.

The actual flow of merchandise, its *physical distribution*, its arrival on time, in good condition, just as ordered . . . that is equally necessary to assure Repeat Sales. Such high type distribution service builds a foundation of trade good-will and confidence that switches sales to the salesman backed by such service.

"Filling Orders" plays an important part in getting Repeat Orders. Bush Distribution Service

BUSH DISTRIBUTION SERVICE

1. Freight cars taken over from any railroad and carefully unloaded at Bush Terminal and merchandise placed in special service rooms.
2. Merchandise checked and entered on Bush inventory forms and duplicate acknowledgments issued. Shortages, damages and other irregularities immediately reported.
3. Special inspection of merchandise conducted upon request, involving unpacking and re-packing of any type of commodity.
4. Immediate release of merchandise upon delivery instructions, seven copies of each order being issued for efficiency.
5. Automatic stock records posted for withdrawal of each unit of merchandise . . . and monthly summaries issued of total withdrawals and stocks on hand.
6. Delivery of merchandise to any point in greater New York in shortest time possible.

can play an equally important part. Merchants of greater New York will recognize your ability to meet their delivery requirements when they learn that Bush Distribution Service is working for you . . . for them.

They know from experience the unfailing promptness, care and courtesy of Bush Servicemen, hand-picked for efficiency in the performance of their duties. They appreciate the personal pride and enthusiastic interest that has developed throughout the Bush organization and become an accepted guarantee of service.

We would like to send you a more complete story of Bush Services. Fill out the coupon below and we will mail you a free copy of an interesting booklet, "Distribution Perfected."



BUSH TERMINAL CO.
Distribution Service
New York

Bush Terminal Company
Distribution Service—Dept. A
100 Broad St., New York

You may send me, without obligation, your booklet, "Distribution Perfected."

Name.....

Firm.....

Street.....

City.....State.....

(house, office and store construction strictly being meant);

The strike of 200,000 soft coal miners which ushered in the month;

A decline in prices of a number of staples, which reaffirms the theory that stocks of raw materials, if not of most manufactured products, are in abundant supply;

A continuance of the lessened making and buying of automobiles as compared with a year ago;

Continued weakening of petroleum prices despite partial suspension of production;

A sharp curtailment of soft wood production by agreement in the Pacific northwest and an even more marked diminution of hard wood production at the south, due to flood.

Record Stock Sales

CONTINUANCE and even accentuation of the ease in money was generally credited with the fact that April dealings on the New York Stock market were only exceeded in two previous months in that institution's history and that sales for four months of this year broke all records, while new high records were made by averages both for rails and industrials.

A contribution to this matter of stock averages, by the way, was made early in May when President Simmons of the New York Exchange said that a weighted average of all stock prices showed that the peak for the years 1925 and 1926 was reached as far back as November, 1925, and not as some have supposed late in the year 1926. A flood of foreign and domestic borrowing in April and early May contributed to big totals of bank clearings and debits. Clearings for four months were even with those of 1926, while debits were 4.8 per cent larger.

Daily pig iron production in April averaged 114,074 tons, a gain over March of 1.5 per cent and the largest daily average since April, 1926, when the output was 115,150 tons. Winter wheat came through the winter pretty well and estimates early in May were for about 600,000,000 bushels.

Cotton consumption in March broke all monthly records, and April promises nearly as large a total, while exports were the largest since 1914, and for eight months were 8,825,000, or 35 per cent more than the preceding season. Eight months' consumption and exports combined totalled about 13,540,000 bales, a gain of 2,657,000 bales, or 24 per cent. The total crop last year was 17,910,000 bales, a gain of 1,807,000 bales, or 11 per cent over the year before. Thus the entire excess of last year's crop has been taken away, with 850,000 bales in addition. The lowest price touched in the crop season for spot cotton was 12.15 on December 3, 1926. The price on May 6 this year was 16 cents, a gain of

nearly 4 cents, of which half occurred before the flood became a menace to this year's plantings. Cotton and cotton goods seem to have joined the long list of products which have responded to a big price reduction by enormous sales.

As to the contrasts made possible by the shifting of Easter buying it may be said that chain stores in April reported 29.5 per cent gain over a year ago, mail order sales gained 4.6 per cent and the two combined increased 17.9 per cent. A year ago the Easter buying gain came in March. Four months' figures of these sales really give a better example of conditions, and

140 cities showed a decrease of 11.3 per cent and for four months the decrease from a year ago is 7.2 per cent. April, 1925, was the peak month in this line and the decrease shown by April this year from two years ago may be about 12 per cent.

Softwood lumber output for seventeen weeks is 17 per cent, shipments 16 per cent and orders 14 per cent below a year ago.

Petroleum production in March broke all records with a total of 75,304,000 barrels since when there have been several cuts in crude, a gasoline price war in California, a decrease in takings of iron pipe and tank plates and a reduction in general buying in oil-producing areas. The metal markets generally have shown a downward trend to values.

The old story about the merchant who lost a little on each sale but sold so much that he made a profit somehow comes to mind when looking at the March railway earnings this year. Car loadings for the four weeks in March increased 3.5 per cent over a year ago but a great deal of this was coal, a low revenue producer apparently, because gross receipts of Class 1 railroads fell off a small fraction of 1 per cent from March, 1926, whereas net operating income made an infinitesimal gain over a year ago.

Gross receipts for three months gained eight-tenths of 1 per cent over a year ago while net operating income increased 1.2 per cent.

Floods Damage Trade

AS REGARDS apparently unfavorable elements recently operative it may be said that the floods paralyzed trade in the Mississippi and most tributary Western Valleys from Southern Illinois to the Gulf. Something like a moving lake, 40 to 80 miles wide, has been making its way to the Gulf. Some seventy counties in the states from Missouri and Kentucky southward have been wholly or partially inundated, 500,000 people have been forced to leave home, many losing everything and cotton planting in the southern part of the submerged area is highly problematical.

An interesting query in connection with this disaster is the extent to which installment buying may have been operative in this area. The interruption to planting by rains and wet soil has been evident from Texas up into the Canadian wheat fields, westward of the line of the great river and parts of the Central West have also suffered making the season a rather late one.

Whether rains and floods will operate this year to save the farmer from himself in the matter of overplanting remains to be determined later, but the trend of cereal and cotton prices has certainly been upward of late.

BUSINESS INDICATORS

Latest month of 1927 and the same month of 1926 and 1925 compared with the same month of 1924

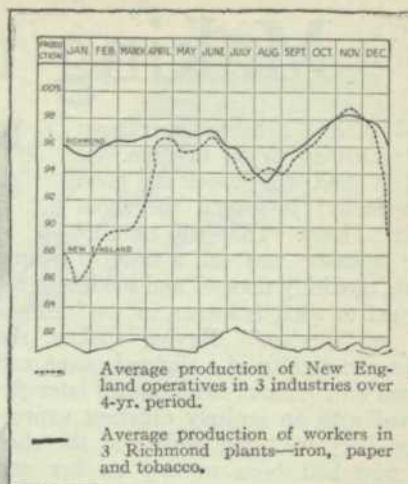
Production and Mill Consumption	Latest Month Available	Same Month 1924 = 100		
		1927	1926	1925
Pig Iron.....	Apr.	106	107	101
Steel Ingots.....	Apr.*	124	123	107
Copper—Mine (U. S.).....	Mar.	106	116	115
Zinc—Primary.....	Mar.	118	114	108
Coal—Bituminous.....	Apr.*	117	132	110
Petroleum.....	Apr.*	124	100	104
Electrical Energy.....	Mar.	134	123	108
Cotton Consumption.....	Mar.	143	131	120
Automobiles.....	Mar.	103	112	97
Rubber Tires.....	Feb.	117	111	112
Cement—Portland.....	Mar.	110	100	106
Construction				
Contracts Awarded (36 States) Dollar Values.....	Apr.	121	114	113
Contracts Awarded (36 States) Square Feet.....	Apr.	109	114	113
Labor				
Factory Employment (U. S.)—F. R. B.....	Mar.	93	96	95
Factory Payroll (U. S.)—F. R. B.....	Mar.	97	100	97
Wages—Per Capita (N. Y.).....	Mar.	106	103	101
Transportation				
Freight Car Loadings.....	Apr.*	109	109	107
Gross Operating Revenues.....	Mar.*	104	105	96
Net Operating Income.....	Mar.*	118	118	91
Trade—Domestic				
Bank Debts—New York City.....	Apr.*	153	142	116
Bank Debts—Outside.....	Apr.*	129	119	109
Business Failures—Number.....	Apr.	115	115	114
Business Failures—Liabilities.....	Apr.	109	79	76
Five and Ten Cent Store Sales—4 Chains.....	Mar.	130	121	109
Department Store Sales—F. R. B.....	Mar.	111	113	105
Mail Order House Sales—2 Houses.....	Apr.	120	115	107
Wholesale Trade—F. R. B.....	Mar.	104	106	104
Trade—Foreign				
Exports.....	Mar.	120	110	134
Imports.....	Mar.	118	138	120
Finance				
Stock Prices—20 Industrials.....	Apr.	179	153	131
Stock Prices—20 Railroads.....	Apr.	162	131	117
Number of Shares Traded In.....	Apr.	277	172	139
Bond Prices—40 Bonds.....	Apr.	111	109	105
Value of Bond Sold.....	Apr.	114	107	100
New Corporate Capital Issues—(Domestic).....	Mar.	148	105	113
Interest Rates—Commercial Paper, 4-6 mos.....	Apr.	89	91	86
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	Mar.	97	101	107
Bradstreet's.....	Apr.	99	102	106
Dun's.....	Apr.	99	102	105
		July, 1914 = 100		
Retail Purchasing Power, July, 1914 = 100		1927	1926	1925
Purchasing Power of the Retail Dollar.....		61	59	61
Purchasing Power of the Clothing Dollar.....		58	57	58
Purchasing Power of the Food Dollar.....		65	63	66
Purchasing Power of the Rent Dollar.....		58	57	55

*Preliminary.

Prepared for Nation's Business by General Statistical Department, Western Electric Company, Inc.

here it is found that chain store sales this year are 17.7 per cent ahead of 1926, while mail order sales are six-tenths of 1 per cent below a year ago and the two combined are 8.5 per cent greater than in 1926 in value.

Department store sales for three months this year were four-tenths of 1 per cent below a year ago, but April department store sales this year were 8.2 per cent ahead of last year. Wholesale trade in groceries, meats, dry goods, shoes, hardware and drugs for three months, January to March, inclusive, were 3.7 per cent below a year ago, according to the last Federal Reserve report. Building permit values for April at



Why will the 1927 payrolls of one Richmond industry carry 5,000 more names than in 1925?

Good labor is the boast of every industrial community. Richmond labor has been subjected to the test of actual comparison. With factories dotting the map of the nation, the great tobacco companies are in a position to know where labor is most efficient and production costs are lowest. When increasing demand necessitated major plant expansion two years ago, they did not hesitate in selecting Richmond. They state that the deciding factor in locating these additions employing 5,000 workers, was the record of Richmond labor, maintained year after year, of the highest year-round level of production of any city in which they operate.

The reason behind this amazing record is not obscure. Science has proven that man's efficiency falls to a low ebb in extremely cold weather and extremely hot weather. The effect of the seasons on industry has been carefully studied over a period of years. The

- 75% population of U. S. within 24 hours by rail.
- 36-hr. freight schedule to N. Y. by water.
- 8-hr. passenger service to N. Y.
- Richest section of South best reached from Richmond.
- Air mail service from Richmond's air port.
- Abundance of soft water.
- Direct line to Va. coal fields.
- Steam and hydro-electric power at low rates.
- James River Basin ideal for plant sites.
- Huge coal basin just west of city, awaiting development.

chart shown here was made from actual production records. The New England curve represents the work of operatives in three different cities over a period of four years. It is reproduced by permission of the Yale University Press from "Climate and Civilization," by Ellsworth Huntington. The Richmond curve was made from the production records of five plants engaged in three lines of industry—iron, paper and tobacco.

Investigation will show you that the vital influence of climate on industry is no myth.

If you are interested in low production cost and quick, cheap transportation to the richest section of the South and the greatest markets of the East, write

INDUSTRIAL DEPARTMENT
Room 100, CHAMBER OF COMMERCE
Richmond, Va.

RICHMOND VIRGINIA

AS FAR SOUTH AS YOU NEED GO FOR LABOR AND SOUTHERN DISTRIBUTION; AS FAR SOUTH AS YOU CAN GO FOR QUICK TRANSPORTATION NORTH BY RAIL AND WATER



Most men want a pleasant place to live as well as a place for material gain. Write for a free copy of "Joys of Living in Richmond," telling of recreational advantages for employer and employee.



Even in winter the fairways of Richmond's seven golf clubs are dotted with players and club verandas are a riot of color and life. There is "foursome weather" every month and the courses are just 20 minutes away from your desk.

When writing to INDUSTRIAL DEPARTMENT, RICHMOND CHAMBER OF COMMERCE, please mention Nation's Business

Making the Shoe Fit the Market

By WILLIAM BOYD CRAIG

Decoration by Charles Dunn

"I'M SURE I have never been treated so in all my life. If you find the check is good (sarcastically) just send the shoes to this address. That will be all."

The speaker was an attractive young matron, modishly dressed and evidently accustomed to what is known in the business world as "service." Having spoken, she took on the dignity of a slighted queen and marched out. About two minutes later she returned with an entirely different expression on her face. She smiled at the shoe clerk who had been waiting on her and stammered:

A Change in Disposition

"I—I MAY have been a little hasty. I was a little nervous about parking my automobile too long. I moved it six inches. I guess that will be enough. Now if you will wrap the shoes, I'll take them with me."

"Very well, madam. Just the moment you went out your order came back from the office with the check approved. With a new customer we have no other safe method of procedure but to verify the credit of the purchaser. If you will stop to think, that same carefulness rebounds to your advantage since you do not have to pay for the credit losses of others. You may be sure, too, that we buy even more carefully than we sell."

She tucked the neatly wrapped pair of slippers under her arm and started for the door the second time, but now she was wearing a smile where before she was wearing a scowl.

"I'll be back again," she assured the salesman.

A Shop Record

THIS little incident could happen in any one of 32,000 shoe stores in the country. It did happen in a shop with a reputation for selling quality in shoes. This shop has done a fine business for nearly fifty years, or over three times the average life of a typical shoe store. Its clientele is mostly made up of successful people who want a high-grade shoe and also the last word in the intangible known as service. The salesmen have quite a local reputation for understanding their business. They know leather in all forms and preparations; they know feet in all shapes and contours—and in all degrees of tenderness. In spite of the fact that style is an important element in this shop's

appeal to the public, there is a saying that you can't walk out of the shop with shoes that do not fit.

The little incident I had just witnessed while selecting a pair of shoes. "Do you find women hard to please, as a general rule?" I asked the salesman who was waiting on me.

"Well," he said, "women are somewhat harder to please but once satisfied they stay so. Men buy shoes with the idea of comfort in mind primarily and style incidentally. Women choose on entirely different lines. If it fits perfectly our average woman customer looks on that as just an added bit of good fortune which she had not expected. Still she appreciates it if she can get both style and comfort. So we make an effort to sell the correct size."

One Type of Appeal—Quality

"DO YOU find that the element of price enters to any great extent into the selection your customers make?" I inquired.

"Well, no, because we are known as a fairly expensive shop. Our potential customers have already been sold on price before coming into the store. A dollar or two seems to make very little difference. A shoe store loses money not from too large a stock but from a stock which doesn't fit its own market."

Women seem to care less for price and are willing and even anxious to spend

money for style. Just the other day I ran into an unpleasant incident along this line.

"A stylish woman came in with a daughter who was about ten years old. The woman found a shoe she liked very much. She said she had been looking for just such a shoe for some months. It was priced at \$25. She said she guessed she would take two pairs. Then she said she wanted a pair of school shoes for the little girl. We had a particularly satisfactory shoe that proved very popular with growing children. She decided she would take a pair and asked the price. When told that they would be \$8 she complained bitterly of the high price and told the salesman that she guessed she would change her mind and buy the child's shoes later as she couldn't afford such an expenditure just now. Such incidents, fortunately, are somewhat rare."

"In most cases where a whole family deal with us we value the daughter most highly as a customer, especially if she has reached the age when she takes a woman's size. On the average, I would say she will buy twice as many pairs a year as her mother. There isn't quite as much difference between the number purchased in a year by a father and son once the son has reached full development."

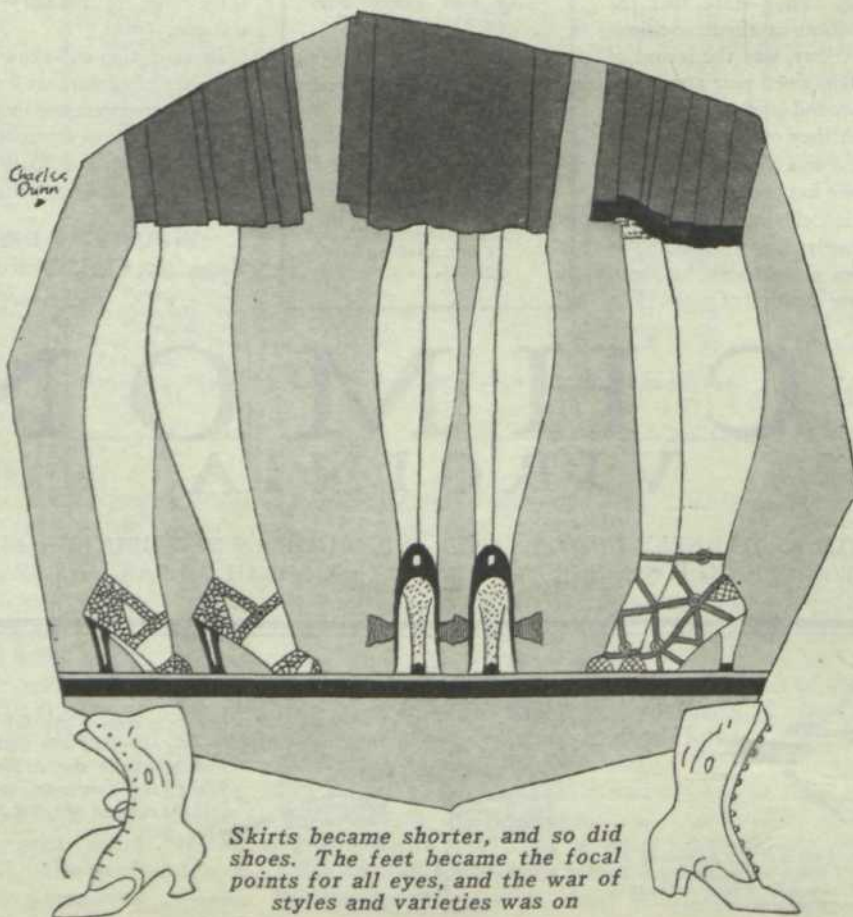
A Battle for Shoe Markets

WHILE we were talking a man, evidently a manufacturer's representative, walked out of the office at the rear of the shop. "Do you get more calls from salesmen than you did ten years ago?" I wanted to know.

"A great many more," he said. "Where we did get calls twice a year from one manufacturer, years ago, we now get five or six, or even more. Competition among manufacturers accounts for this. Once they fought it out between themselves on lines of price and quality. Now there is a new element. For want of a better name, we might call it variety."

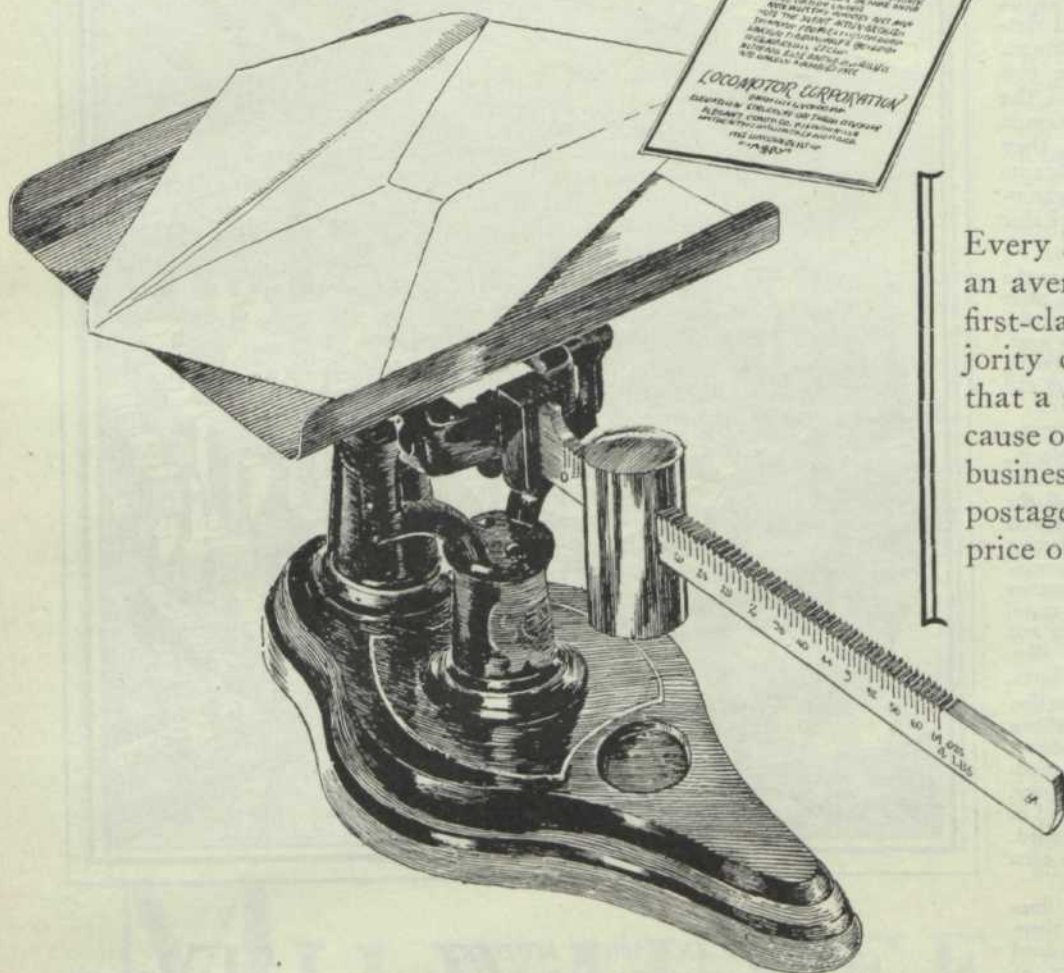
Still with our class of shoes we don't do a great deal of hand-to-mouth buying. Most of our shoes are made to order and some staples are ordered as far as six months ahead. It is practically impossible to get delivery under thirty days so you can understand that we can't do much hand-to-mouth buying.

With the medium-priced shoe dealer, a different situation is



Skirts became shorter, and so did shoes. The feet became the focal points for all eyes, and the war of styles and varieties was on

Half-empty
envelopes
are
waste!



Every hour, every day in the year an average of 1,500,000 pieces of first-class mail are posted. The majority carry only half the weight that a 2-cent stamp permits. Because of half-filled envelopes, many businesses pay \$1,000 a ton for postage instead of the Government price of \$640 a ton.

MAKE every postage stamp do its full duty by enclosing blotter advertising. Such concerns as the American Tel. & Tel. Co. have used blotters in monthly statements to show customers the value of becoming stockholders.

Along with the dividend checks of the National Biscuit Company often come blotters urging shareholders to try their fruit cake and fanciest wafers.

Optometrists have been aided in selling more glasses—clearer vision—thru ingenious blotters furnished by the American Optical Company.

With blotters furnished to dealers the Edison Mazda Lamp Works reiterate the value of good light. The H. J. Heinz Company not only do outdoor posting, but beautiful indoor posting on Standard Blottings.

For blotters are really little posters that stay upon the desk. They are read often and give more mental impressions from each printing impression. Consult your printer, lithographer or advertising organization about taking advantage of the unused margin of postage and the value of blotters as enclosures.

STANDARD PAPER MFG. CO., RICHMOND, VA.
Makers of Ink-Thirsty

Standard Blottings

and Two-Text Illustrated Letter Paper

When writing to STANDARD PAPER MFG. CO. please mention Nation's Business

All the world respects these

SPANNING the headwaters of the most important river in the world, the cities of Minneapolis and St. Paul form a unique economic unit. Backed by the industrial communities of the North Central States, and facing the tremendous sweep of the great Northwest with all its potentialities and raw wealth, these Twin Cities have attained a dominance in their quarter of the Nation that has no parallel.

For almost a century they have grown side by side, guiding the destiny of the Northwest. When timber was the greatest industry of Minnesota and Wisconsin, these were famous lumber towns. When wheat became king, these two were the greatest milling cities in the world. And now that diversification is making history in the Northwest, they have risen together to new heights as the industrial and commercial metropolis of one of the most remarkable agricultural regions in the world.

LOCATION: By St. Anthony's Falls, at the head of navigation. On the fringe of the great forest region of Minnesota and Wisconsin, where the open plains begin to sweep westward. Metropolis of a region embracing northwest Wisconsin, Minnesota, North and South Dakota, Montana.

INDUSTRY: Not only do the Twin Cities absorb the varied products of all the Northwest as a primary market, but they in turn supply the tools of production and all the needs of higher standards of living. Here is the largest manufacturing and distributing center in America for tractors and agricultural implements. The leading industries include grain, flour and mill products; metal working; clothing and textiles; printing and publishing; wood working; railroad shop construction; bread and bakery products.

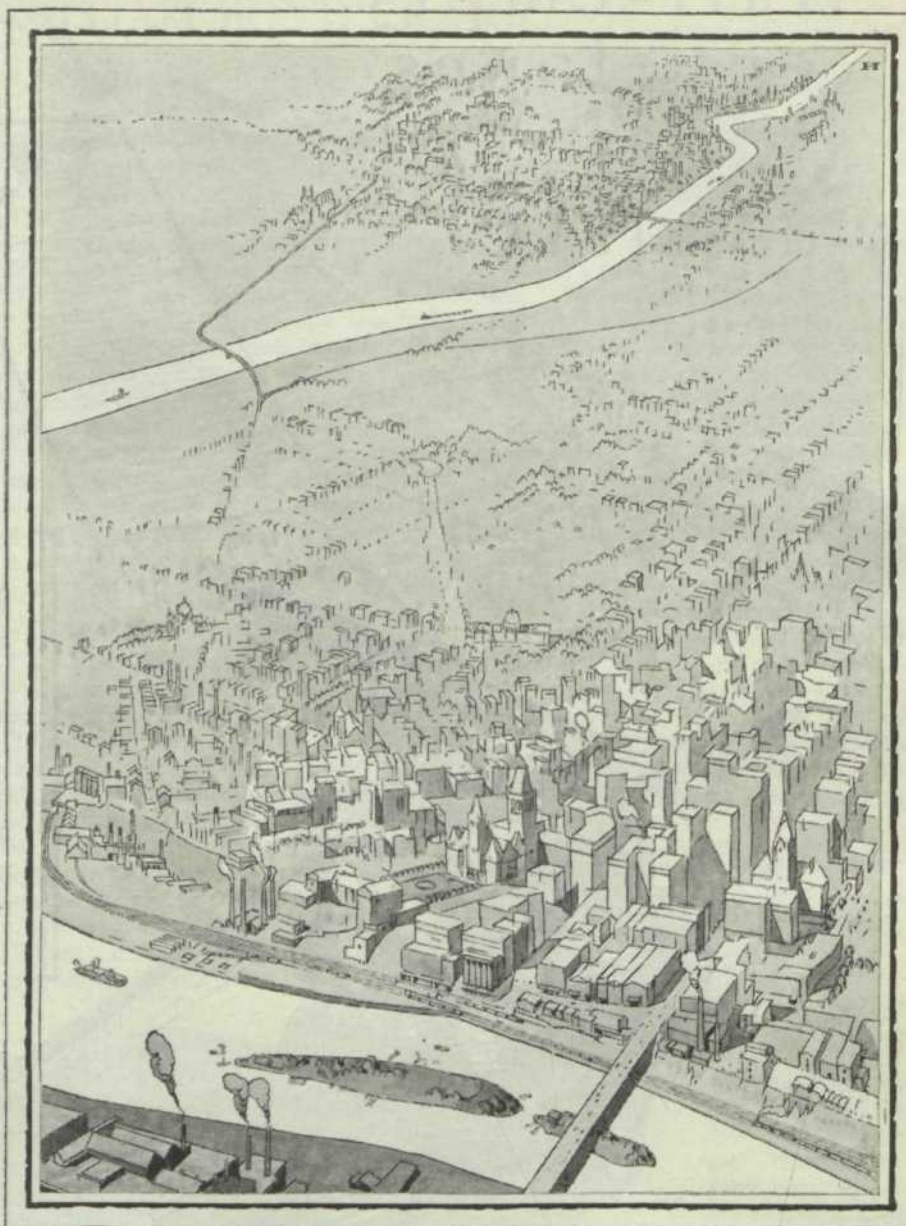
AGRICULTURE: Statistics on production run into tremendous figures. Grain yields a billion dollars, yet the total value of dairy, livestock, and other diversified farm products has already swept beyond that figure. Egg and poultry production has doubled in the last five years; alfalfa acreage has tripled. The farmers of Minnesota alone earn \$200,000,000 on butter annually.

TRANSPORTATION: Twelve trunk lines radiate from the Twin Cities, making them both heart and head of the Ninth Federal Reserve District with a population of 5,341,897! The Chicago, Milwaukee & St. Paul binds the Twin Cities to Milwaukee and Chicago with a double-track system over which run some of the most famous limited trains in America.

They grow in beauty

Beauty has governed the civic ideal of both cities, so that today there is no more delightful place of residence than here. Within corporate limits are the Falls of Minnehaha. The sandy shores of blue Minnetonka and Nokomis are circled by splendid boulevards and dotted with boat clubs.

Magnificent boulevards and parks, distinguished hotels and famous old clubs, excellent theatres and restaurants, libraries, art galleries and educational institutions, give these cities a charm and mellowed culture doubly emphasized by the vigorous youth of the region they serve.



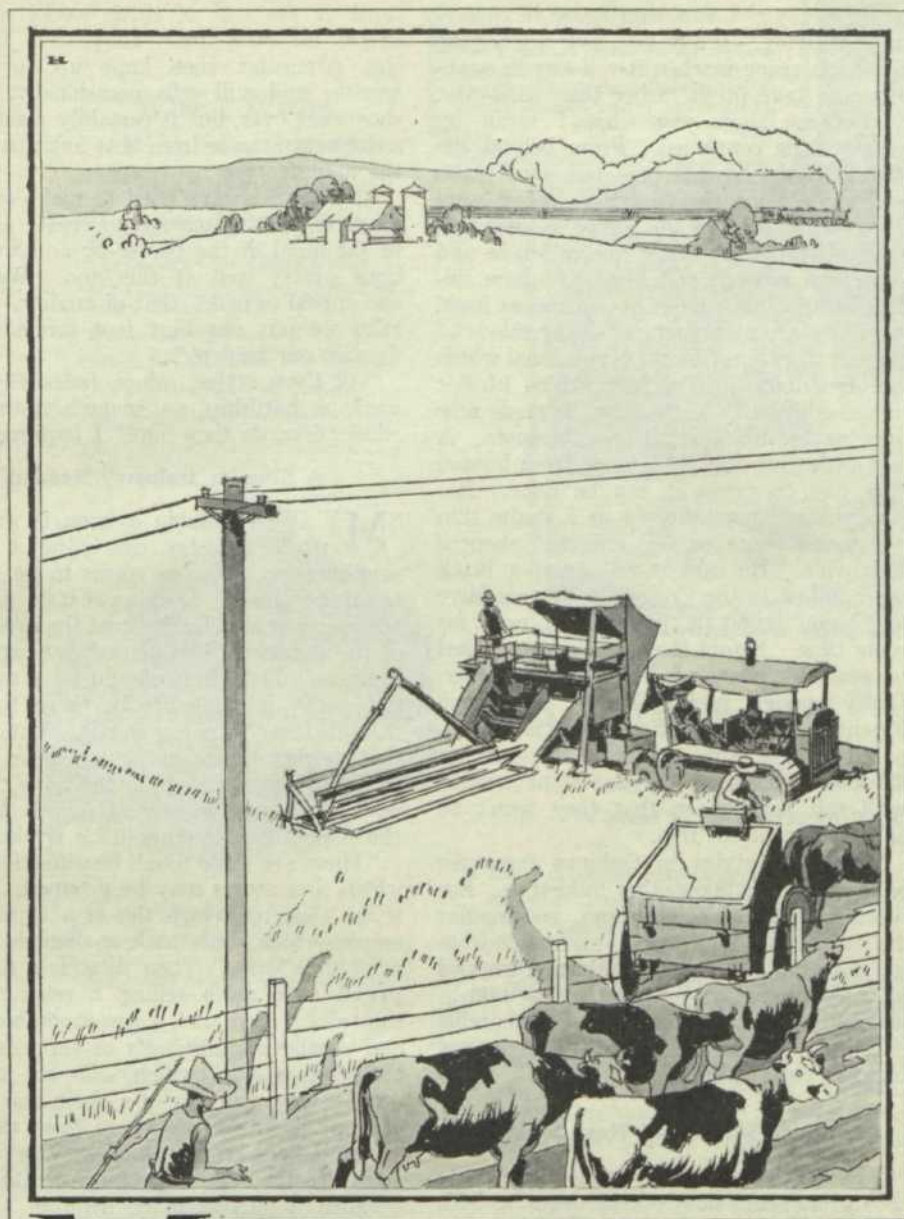
SHORTEST AND MOST MODERN
ROUTE TO THE
PACIFIC AND FAR EAST

The

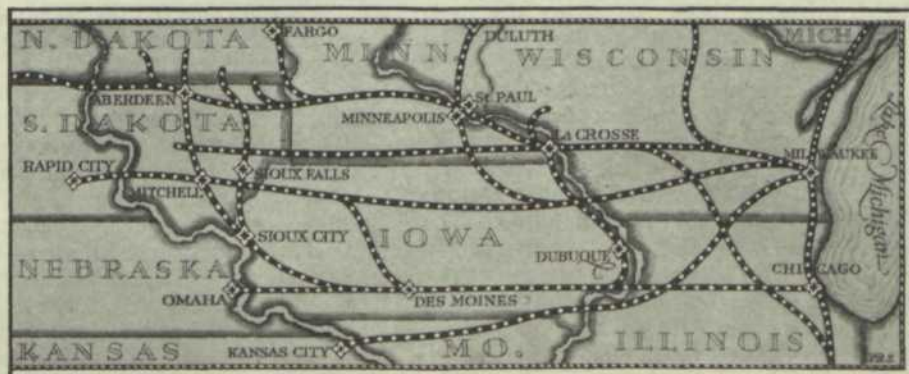


The recognized route between Chicago, Milwaukee and Twin Cities,

Twin Guardians of the Northwest



MILWAUKEE ROAD



Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma

Where trails begin and end

THE importance of the Twin Cities both as a clearing-house for the products of the Northwest and as a distributing point cannot be overestimated. Only railroad service of the highest order can meet their requirements.

The Chicago, Milwaukee & St. Paul Railway operates 14 trains daily between Chicago and Minneapolis-St. Paul. This service includes some of the most famous trains in the world.

In 1851 the Milwaukee Road extended from Milwaukee to Waukesha. It grew steadily into a vast system 11,000 miles long employing 60,000 men. Its lines extend in all directions over the entire northwestern block of the United States: From Chicago to Kansas City, Omaha, Des Moines, Sioux City; to Milwaukee and the upper Michigan Peninsula; to the Twin Cities and Duluth; westward to Rapid City in the Black Hills; to Butte, Spokane, Seattle, Tacoma, the Olympic Peninsula and the Pacific.

Six hundred and sixty miles from Montana to the sea are electrified. Hydroelectric power, generated in remote valleys, sends the great trains humming across the Belt, Bitter Root, Rocky and Cascade Mountains to Puget Sound. Milwaukee passenger cars are now being equipped with roller bearings—another revolutionary improvement first adopted by this road.

Through glorious country

The famous *Pioneer* is the favorite between Chicago and the Twin Cities; but if you are bound for the Coast, by all means go by the *Olympian*, the deluxe limited that ranks with the finest trains in the world. The *Olympian* and the *Columbian* travel to shipside at Seattle or Tacoma, after passing the most beautiful and diversified scenery in America, through a great industrial and agricultural empire in the making.

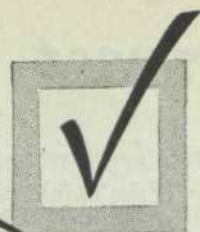


Chicago, Milwaukee & St. Paul Railway
Room 884, Union Station, Chicago, Ill.

Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

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| <input type="checkbox"/> Puget Sound | <input type="checkbox"/> Eastern Dakotas |
| <input type="checkbox"/> Inland Empire | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana | <input type="checkbox"/> Minneapolis-St. Paul |
| <input type="checkbox"/> Kansas City | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Agricultural Montana | <input type="checkbox"/> Iowa |
| <input type="checkbox"/> Upper Missouri R. Valley | |

Name _____
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City _____ 5-G



The END of a perfect day

A good car, good roads, and—
a good hotel.

After miles and miles of driving, the weary motorist craves appetizing food and sound sleep in attractive surroundings. Make your summer tour a succession of perfect days by including any of the following stop-overs in your itinerary. Each of these fine hotels specializes in hospitable service to the motorist at moderate rates.

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<input type="checkbox"/> The ROOSEVELT	New York City
<input type="checkbox"/> The BENJAMIN FRANKLIN	Philadelphia
<input type="checkbox"/> The OLYMPIC	Seattle, Wash.
<input type="checkbox"/> The BANCROFT	Worcester, Mass.
<input type="checkbox"/> The ROBERT TREAT	Newark, N. J.
<input type="checkbox"/> The ALEXANDER HAMILTON	Paterson, N. J.
<input type="checkbox"/> The STACY-TRENT	Trenton, N. J.
<input type="checkbox"/> The PENN-HARRIS	Harrisburg, Pa.
<input type="checkbox"/> The TEN EYCK	Albany, N. Y.
<input type="checkbox"/> The UTICA	Utica, N. Y.
<input type="checkbox"/> The ONONDAGA	Syracuse, N. Y.
<input type="checkbox"/> The ROCHESTER	Rochester, N. Y.
<input type="checkbox"/> The SENECA	" "
<input type="checkbox"/> The NIAGARA	Niagara Falls, N. Y.
<input type="checkbox"/> The LAWRENCE	Erie, Pa.
<input type="checkbox"/> The PORTAGE	Akron, Ohio
<input type="checkbox"/> The DURANT	Flint, Michigan
<input type="checkbox"/> The PRESIDENT	Kansas City, Mo.

IN CANADA

<input type="checkbox"/> The MOUNT ROYAL	Montreal
<input type="checkbox"/> KING EDWARD HOTEL	Toronto
<input type="checkbox"/> ROYAL CONNAUGHT	Hamilton
<input type="checkbox"/> The CLIFTON	Niagara Falls
<input type="checkbox"/> The PRINCE EDWARD	Windsor
<input type="checkbox"/> The ADMIRAL BEATTY	St. John, N. B.



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Executive Offices
25 West 45th St., N. Y.

Affiliated AMERICAN HOTELS CORP.

Affiliated Abroad: Important Hotels of U. N. I. T. I. Hotel System and Other Select Hotels; and, in the Orient, with the Japan Hotel Association, Tokio, Japan. United Travel and Hotel Bureau: European Headquarters—Paris, 6 Rue Caumartin; London, 7 St. James's Street, S. W. 1.



present. If he can stock his shelves direct from the jobbers, he may get delivery in a day or two. We do a little business with jobbers but not a great deal.

"Turn-over and a minimum of capital are not the only elements that figure in conservative buying. If any shop feels it is buying against a rising market, it will buy in quantity and take profit rather than turn-over.

"Let me show you what I mean by variety," he continued. From behind the cashier's cage he extracted two shoe boxes and showed me the contents. They were filled with samples of every conceivable kind of leather in every known shade and color and pattern and hundreds more unknown up to that moment—to me, at least.

"These are manufacturer's suggestions of the last month. Almost every animal which can contribute a skin from which leather or something like leather can be made now does its bit for a retail shoe business. A sort of leather has been made from human skin just to prove it can be done. Recently a salesman showed us a snake skin which was about six feet long and about a foot wide. He said it was from a black snake taken in the Congo. Alligators have had some economic justification now for some time. Before the war Germany used to send us more of our patent leather. Oddly enough it was known as French Patent Leather. Now most of it is prepared in this country. India sends us remarkable quantities of goat skins treated with salt solution so that they won't be affected by the sea trip.

"Changing styles in fashions sometime have queer effects on other industries. For instance women's high shoes, so popular during the war, had their uppers made from kid, largely. The demand suddenly dropped off. Goat hair, a by-product, was used in making plaster. There is no acceptable substitute yet found and this has caused building costs to rise.

Short Skirts and Neat Feet

"SHORT skirts have made feet more prominent; now women decorate both ends."

"How do styles—?" I began. He raised a hand to stop me.

"You're going to ask how styles originate. Well, son, I have been in the shoe business for a long time and I'll admit I don't know. Some say they come from abroad. Some say the college boys and girls originate them. Some say the stage creates fashion. Yet it's all these and more. The desire for change, something new, more attractive, neater, more intriguing, seems deep rooted in the minds of men. Possibly I should say in the minds of women. Frankly I don't know. A style that goes like wildfire in New England may disturb the south and the west not at all. The last word in Boston may be a flop in Buffalo. This incident may explain it:

"Last spring I displayed a very attractive black pump with a strap, designed for the rather rough usage of a growing child. They hadn't been in the window long when several college girls asked if we could fit them in this shoe. We did, although it didn't seem right to do it somehow because it was too patently a little girl's shoe. The

next day we had several more calls for it, all from young ladies of the same type of the day before. In a week we were out of that shoe except in child's sizes. But the demand still grew. We took orders, until at the end of three weeks we had orders for 50 pairs. That same fad for this particular shoe kept up for eight months and still sells occasionally. That shoe went over, but it certainly went down a different avenue from that anticipated by the manufacturer.

"We have always tried to make our displays interesting enough to create a desire in the mind of the passer-by and we have done pretty well at this, too. We have one appeal to make, that of quality. Naturally we put our best foot foremost and display our leaders."

"All these styles, colors, fads and so on work a hardship on manufacturers and wholesalers, do they not?" I inquired.

A Simpler Industry Needed

"MY OWN humble opinion is that the whole industry can stand a lot of simplification. No one seems to know how to bring it about. Looking at it in one way, the industry is suffering from the prosperity of the country. The market for expensive shoes on which there should be a substantial profit is undoubtedly there for any manufacturer who can get it. But to get that market the manufacturer must resort to multiplicity of style in the hope that he may find some leaders that will kill off the competition of some of his rivals.

"There are three rough classifications into which shoe stores may be grouped. There is the shop, of which this is a typical example, which deals with a clientele which wants fine shoes. Then there is a medium priced shoe store selling a seven or an eight dollar shoe with a few expensive shoes and usually a multiplicity of varieties. The cheap shoe store which sells on price is quite often a member of a chain and it will offer its shoes for anywhere from three to seven dollars, rarely more. The second store has the biggest problem on its hands because its purpose is less definite.

"I don't want to quote a maze of figures, but the average net profit for a typical shoe shop—that is, the average for the country—is just about \$2,000.

"Do you lose more sleep over buying or over salesmanship employed after the shoes are on the shelf?" I interrupted.

"The old saying 'Well bought is half sold' is a good one for the shoe merchant. Once he recognizes and caters to his natural clientele he can succeed if he will be alert, because he is dealing with a necessity and something that everyone must buy.

"When a customer comes into our shop, it is a pretty good sign that he has been 'sold on' our merchandise. Then it is a question of fitting him. We don't try to break down consumer resistance or to make salesmanship apparent. Nine out of ten men will buy low shoes. Probably ninety-nine out of one hundred women will buy low shoes from us. We would be foolish if we tried to sell them anything else.

"Tonight," he concluded, "we start taking inventory. That's the interesting time for the real shoe merchant, for then he 'sizes up' his business in a literal sense."

What's Wrong With Shorthand?

Executives say:—

- "If she could only take it as fast as I think."
- "I'm forced to cut dictation short."
- "If I could only dictate while it's fresh in my mind."
- "Out sick, so my letters have to wait."
- "When I'm here alone I'm helpless."
- "It's the 'ring and wait' system."
- "She can't help me with other things."

That's enough! I'll send in the coupon below on general principles.



Martha Nies

Secretary to Mr. Beckwith, enjoys using The Dictaphone, for she gets more work done—with less tax on her strength

What's Wrong With Shorthand?

Secretaries say:—

- "No one else can read my notes."
- "Those awful waits while he chats over the phone."
- "I'm sure he said that, but . . ."
- "No time for real secretarial work."
- "These endless notes make me dizzy."
- "Hours wasted while he's in conference."
- "I'm nothing but a bell-hop."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD

Dictaphone Sales Corporation,
154 Nassau St., New York City

- ☐ Please notify your nearest office to let me try the New Model 10 without obligation.
- ☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

I am a Secretary ☐
Executive ☐ (Check One)

For Canadian inquiries, address Dictaphone Sales Corp., Ltd., 33 Melinda St., Toronto, Canada
World-Wide Organization—
N-4 London, Paris, Brussels, Sydney, Shanghai, etc.

F. C. Beckwith

Vice-president Hamilton Watch Company, Lancaster, Pa., relies upon The Dictaphone to record everything he wants typed—and it never disappoints him



"Accuracy first" demands modern methods

That's the way F. C. Beckwith, Vice-president Hamilton Watch Company, puts it, and other men of affairs agree

Read this executive's own words. Then mail coupon. You too can cash in on the advantages of The Dictaphone.

"SINCE we pride ourselves on permitting no watch to go out that isn't tested for highest precision, we naturally insist that our correspondence also go out flawlessly accurate. Both merchandise and correspondence must reflect our slogan, 'Accuracy first.'"

"And the instrumental 'party of the second part' in this parallel achievement is—The Dictaphone."

Such words carry conviction from a man like F. C. Beckwith, Vice-president of the Hamilton Watch Company, makers of the famous "Watch of Railroad Accuracy." Men of his type use The Dictaphone because it gets better results with less bother and delay.

"The Dictaphone," continues Mr. Beckwith, "is not only a miracle of precision but takes down letters, memoranda, instructions—anything I want

in type—on the single instant while they're fresh in mind. For example, I often turn from telephone to Dictaphone and record the substance of a conversation, thus avoiding possible later misunderstanding or oversight.

"We are keen about proof-reading all our letters and The Dictaphone permits a far better check than shorthand."

Martha Nies (Secretary to Mr. Beckwith), who once swore by shorthand, declares: "Using The Dictaphone is much more interesting and less tiring than shorthand. The Dictaphone has enabled me to assume increasing responsibility and to profit accordingly. It has made all the difference between being 'just another stenographer' and becoming a real secretary."

Such testimony is typical for thousands of executives and secretaries in every line of business. You, too, can benefit by using The Dictaphone. It's as simple in operation as the telephone. Better decide to try it. There's the coupon.

DICTATE TO THE DICTAPHONE

REG. U.S. PAT. OFF.

and double your ability to get things done



Our claim:

*The Comptometer
with a trained operator
will do more figure work
at less cost
than any other combination—
Whether it be full time work
on the machine
or dividing time
on other work.*

Let us prove it

EVERY figuring machine has its talking points—special features of design, construction, operation and convenience—all of which are stressed in season and out of season.

Yet, even if you take these talking points at face value, it still leaves unanswered the vital question of machine economy, that is:

"Which machine will turn out the most work at least cost?"

For after all, the true value of claims and talking points, interesting as they often are, can only be determined by work performed.

Our claim is that the Comptometer, with a trained operator, will do more figure work at less

cost than any other combination.

And that holds true whether the trained operator works the machine full time or only two or three hours a day, devoting the remaining time to other clerical work.

Back of that claim is our offer of a production test on your own work—the only conclusive proof of economic value for any adding-calculating machine.

Why not try out the Comptometer on that basis—competitively or otherwise.

It will place you under no obligation to invite a Comptometer man to make such a test. See your phone book, under Felt & Tarrant, or write us direct.

FELT & TARRANT MFG. CO.
1712 N. Paulina St., CHICAGO

CONTROLLED KEY
Comptometer
REG. TRADE MARK
ADDING AND CALCULATING MACHINE

If not made by Felt & Tarrant it's not a Comptometer

The Program For Congress

BY FRANCIS COPELAND

PENDING legislative issues will receive the attention next December of a Congress elected in November, 1926—thirteen months before the date of meeting. The new Congress, however, will not be changed in important respects from the last one. Republican control will continue in the House and also in the Senate unless rebellious members desert party allegiance, or seats are denied the Senators-elect from Pennsylvania and Illinois. Prevailing policies of the last Congress, therefore, can be expected to direct the course of the next session's program. Due regard, of course, should be given to the forthcoming Presidential election and the usual tendency to make campaign issues and "medicine."

It appears certain that matters affecting transportation and communication will become a major theme of the next session. On the prospective docket one finds such questions as railway consolidation, railway rates, regulation of motor common carriers, merchant marine policies, Panama Canal improvement, postal rates, new radio legislation and Cuban parcel post facilities. This program alone could keep Congress busy for a lengthy session. These problems plus taxation, agriculture, water power and the annual appropriations very likely will form the bulk of the grist for the legislative mill.

Taxation

Developments in the way of tax cuts will not take definite form until the Ways and Means Committee of the House meets in October. Public discussion will grow after the end of the fiscal year on June 30, when the actual amount of surplus revenues is revealed.

In the meantime, the Joint Congressional Tax Committee has proceeded with studies aimed at improved administration of the tax laws. An advisory board made up of representatives of the public has been formed to cooperate with the Congressional Committee in making recommendations. Suggestions from the public are being invited. A meeting of the Congressional Committee will be held prior to the opening of Congress to formulate its report.

Water Power

The national water-power question is assuming a leading place in the legislative program. For years Congress has struggled with conflicting theories as to the Muscle Shoals, Alabama, project and the Boulder Canyon dam proposal without reaching a solution. No less controversy will accompany proposals concerning the Great Lakes-St. Lawrence waterway plan, which involves the rival interests of the port of New York and north central states. The operations of power companies are being attacked. State interests sometimes conflict with federal policy. Private interests are opposing government competition. Some cities and industrial groups want cheap power from either private or

Join the leaders of industry who are helping put an end to payroll banditry—*America's Reign of Terror*



"SAFETY FIRST!" says industrial management as it installs devices to save lives, prevent injuries and reduce hazards. But certain leading firms—the country's best known business names—go a step further. Realizing the terrifying threat of the payroll bandit, they pay their employees by check. In addition to removing the risk of payroll losses, they protect the paymaster and his assistants. . . . Join these leaders who pay-by-check and thereby strike at the source of this reign of terror.

Protection with Speed and Economy

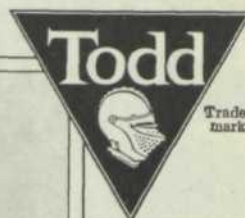
Now, for the first time, paying by check has been reduced to a simple, speedy and economical method, through the use of the Todd Protectograph and Todd Checks. A new Protectograph—the Todd Super-Speed—built on an entirely new principle, solves all payroll problems.

No other machine made equals it in speed and simplicity of operation. It writes 1200 checks an hour. *It is a labor-saver, a time-saver, a money-saver.* Your money is in the bank—safe from the bandit—while the checks are being written and distributed. Any attempt at alteration is instantly defeated by the famous Todd shredded imprint which forces indelible ink into the fiber of the paper.

A Todd expert is ready to demonstrate the Super-Speed for you. And our handbook—"Modern Payroll Practice"—will open your eyes to the advantages of the Todd Pay-by-check System. No other book on the subject is so complete and authoritative. Efficiency experts would charge you a large sum for



1200 checks an hour!



similar information. The booklet will be sent *free* to every executive sending the coupon attached to his letterhead. The Todd Company, Protectograph Division. (Est. 1899.) Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

THE TODD COMPANY 6-27
Protectograph Division
1130 University Avenue, Rochester, N. Y.
Gentlemen: Please send me a free
copy of "Modern Payroll Practice."

Name _____
Business _____
Address _____

TODD SYSTEM OF CHECK PROTECTION



1 The Protectograph eliminates a large percentage of all check frauds by preventing raised amounts. It is made in a variety of standard models, one for every type of business—\$37.50 up. For private use the Personal Protectograph at \$20 has a nation-wide popularity. Only Todd can make a Protectograph.



2 Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing change of payee's name, date and number and "counterfeiting." Superbly printed or lithographed, they are made only to order, never sold in blank. Reasonable in price, even when purchased in small quantities.



3 Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, outright forgery of signature or of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company, New York City.

MONUMENTS OF THE AGES



The new
CORN EXCHANGE Branch
and the
GREAT WALL of CHINA

BEGUN before 200 B. C., it was thirteen centuries later before the Great Wall of China was complete. Its fifteen hundred miles of masonry protected the rich northern provinces of the Celestial Empire against invasion and pillage.

The notable new building that is to house the Forty-Second Street Branch of the famous Corn Exchange Bank of New York has a similar function of protection. Behind its walls lie millions of dollars in currency and securities. The funds of thousands of depositors are entrusted to its keeping.

To Dahlstrom was entrusted the furnishing and installing of metal doors and trim. For, wherever beauty and lasting dependability are of prime importance, the name "Dahlstrom" has come to mean sterling quality.

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

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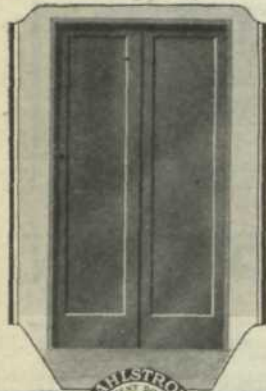
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DETROIT, 1331 DIME BANK BUILDING

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 Doors
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DAHLSTROM

government sources. In the end the present Federal Water Power Act will be subjected to what may be a fatal strain.

Flood control which has been tied up with water-power development will come to the front with added emphasis due to the unprecedented seriousness of recent Mississippi River floods. There is a growing feeling that the Mississippi flood control problem should be handled entirely separate from the other river and harbor measures.

Agriculture

There are indications that Administration forces which have opposed the McNary-Haugen bills during recent years may now come forward in the next Congress with a constructive proposal for betterment of the agricultural situation. Consideration is being given to plans for extending financing aid on the basis of regional needs as against blanket treatment without regard for differences in sectional conditions. If this plan is attempted there is good reason to believe that legislation will result. The necessity for dealing with agricultural distress upon a regional basis has been urged repeatedly by the Chamber of Commerce of the United States.

In the field of farm finance, an effort will be made by the Administration to secure legislation that will place in the Treasury Department the administrative control of the Federal Land Bank system which heretofore has been the work of the Federal Farm Loan Board. It is the belief that the provisions of the Intermediate Credits Act of 1923 can be used to a greater advantage in the handling of farm crops.

Railroads

It is seven years since the Transportation Act of 1920 projected the clause for recapture of excess railway earnings but the significance of the law is not yet fully known. Acting on the St. Louis and O'Fallon Railroad case the Supreme Court soon may determine the effect of the recapture clause on railway earnings. If the Interstate Commerce Commission is sustained there may arise a demand in Congress for modification of the law on the grounds that under it railway financing will be vitally impaired.

Merchant Marine

One of the closing events of the last session of Congress was the announcement of the chairman of the Senate Committee on Commerce that he intends to sponsor a new policy of definitely continuing the Shipping Board in the shipping business. He will have the support of several influential leaders in Congress but there will be enough opposition to make acceptance of his plan difficult. Recent changes in the managing staff of the Merchant Fleet Corporation have been made in accordance with the Shipping Board's policy.

Panama Canal

A definite proposal for building triplicate locks for the Panama Canal at a cost of \$50,000,000 has been put forward by Representative Madden, chairman of the House Committee on Appropriations. Thus a new Congressional issue has been launched which will be before the country until some

action is taken to provide for the handling of the increased canal traffic.

Radio

The licensing power of the Radio Commission will expire before the end of the next session of Congress. It is not at all unlikely that the experience of one year will prompt demands for changes in the law regulating radio communications.

Coal

Thus far no great disturbance has come from the deadlock in the unionized soft coal industry which has existed since the Jacksonville wage agreement expired on April 1. If a settlement is not reached before winter one can expect renewal of proposals for federal legislation to deal with the situation. Both the miners and mine owners opposed the principal coal bills put forward in the last Congress. The President on several occasions has asked Congress to give him power to deal with emergencies in this industry.

Anti-Trust Laws

New conditions, radically different from those of 1890 when the Sherman anti-trust law was enacted, sooner or later may cause reformulation of trust legislation. Paradoxically, the labor unions which in the past have been the ardent advocates of the Sherman Law and the Clayton Law now are beginning to take the opposite attitude. Despite legal restrictions business units have grown steadily but labor unions have found legal restraints real obstacles in the way of some of their activities.

Immigration

There has been a multitude of bills for modification of the Immigration Act of 1924. Continued agitation is expected for proposals to admit as non-quota immigrants the wives and children of certain naturalized citizens; to extend the quota provision to Mexico; and to provide some form of registration for immigrants.

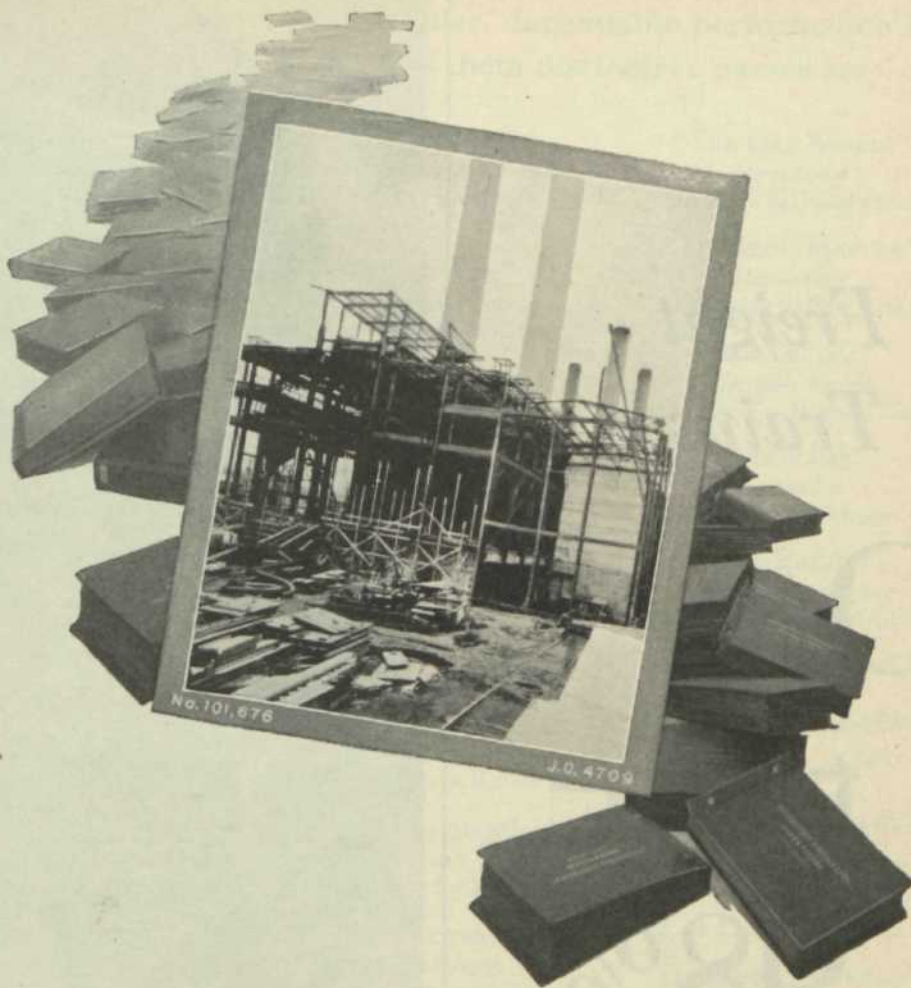
The last Congress postponed the "national origins" clause for one year so that it now will become effective July 1, 1928. The dissatisfaction with this provision which caused its delay probably will result in a serious effort definitely to repeal it.

Tariff

Surprisingly little is heard at this writing about changes in the tariff law. A good guess would be that the question will not wax strong before the campaign of 1928. About two years ago a special committee of the Senate was created to investigate administrative activities of the Tariff Commission. It never has made a report.

Foreign Affairs

Strife in many quarters of the world is laying the groundwork for extensive consideration of international problems in the next Senate. American policy in Nicaragua and Mexico will come in for further attacks. American activities in the Caribbean countries may be challenged. The chairman of the Senate Committee on Foreign Relations is at odds with the Administration in dealing with China. The Turkish Treaty, rejected last year may be brought forward again.



CONSTRUCTION PHOTOGRAPH

No. 101,676

THIS construction photograph indicates how the Stone & Webster jobs numbering approximately 5,000 have been followed, checked and reported to clients during progress. Behind such details is the accumulated experience of 39 years on the construction, reconstruction and extension of steam power stations, water power developments, transmission lines, industrial plants, office buildings and miscellaneous structures.

STONE & WEBSTER

INCORPORATED

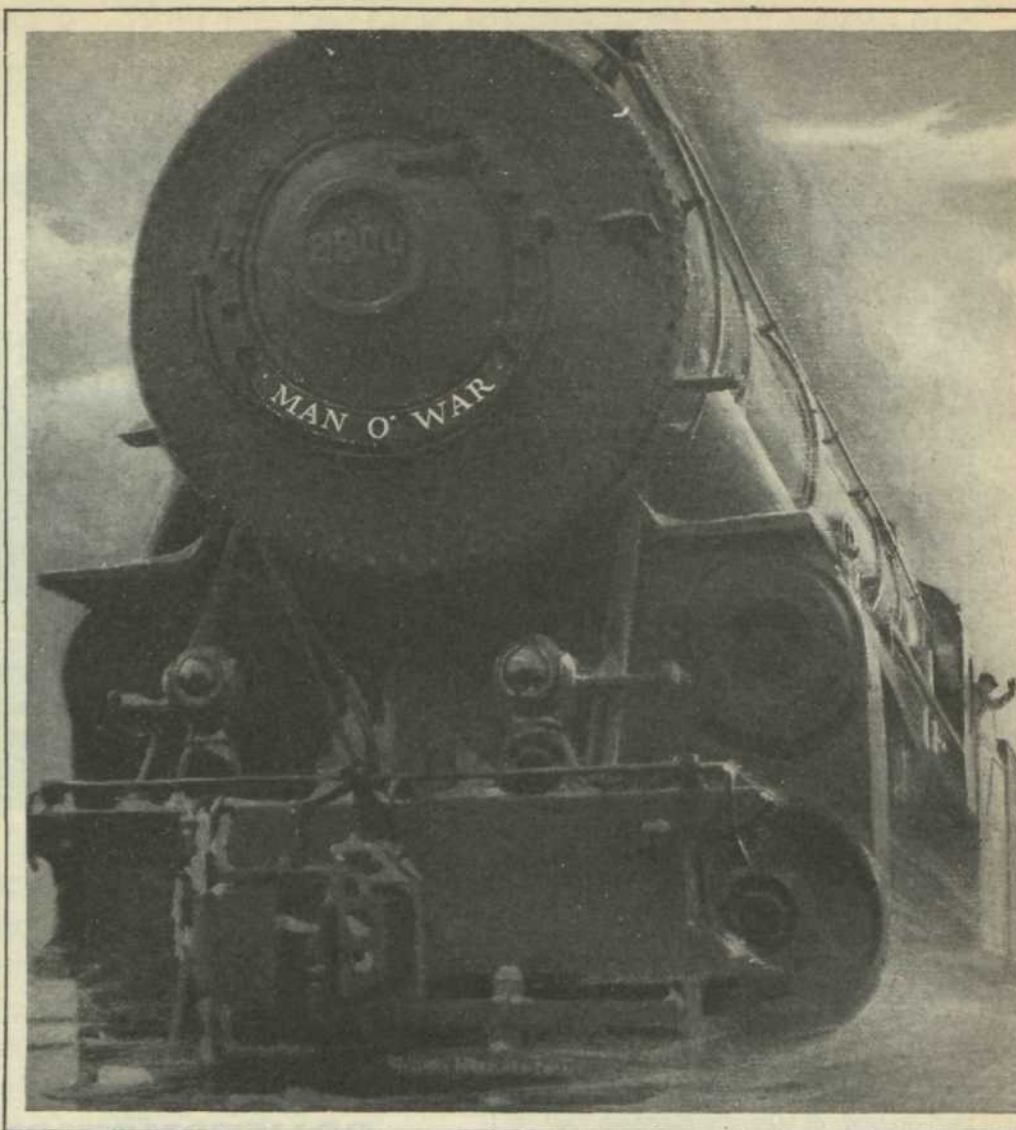


Boston, 147 Milk Street
New York, 120 Broadway
Chicago, First National Bank Bldg.

San Francisco, Holbrook Bldg.
Pittsburgh, Union Trust Bldg.
Philadelphia, Real Estate Trust Bldg.

*Freight
Trains . . .*

On
time
98%



Two of the great fleet of 60 named Pennsylvania freight trains whose

PENNSYLVANIA FREIGHT TRAINS, *performing like this week after week, are playing a vital part in the most important change in manufacturing and distributing practices made during the past 20 years.*

NAMED like the great passenger trains, scheduled as rigidly as the de luxe Limiteds, these Pennsylvania freights are the heralds of a new era in American trans-

portation. But their greatest significance to industry lies in their remarkable regularity and dependability—in the fact that, during the entire month of March, for example, they kept their schedules 98% of the time

—a record that any de luxe flyer might be proud of.

This means that manufacturers receiving materials or parts by Pennsylvania freight trains can cut their inventories to the bone and count on replenishments almost as though they were being brought into their plants by conveyor belts.

The new role of the Industrial Traffic Manager

A few years ago the Industrial Traffic Manager was forced by circumstances to devote most of his time to a purely defensive fight for sufficient equipment.

Now, with the enormous advances in railroad operating efficiency, he is able to concentrate almost entirely on the constructive tasks of taking advantage for his company of every current development in freight schedules and service.

In a great many cases this new activity of the Industrial Traffic Manager has resulted in economies and profits equalling a very substantial return on the capital invested in the business.

PENNSYLVANIA



March record for on-time performance was over 98%

It means that shippers by these trains can now sell in territories which the elements of time and dependability had made inaccessible before.

Insurance charges can be reduced materially. Breakage and spoilage have been cut almost in half.

Because of this great advance in efficiency of operation, many manufacturers along the Pennsylvania are able to practice economies as large as their total net profits of a few years ago.

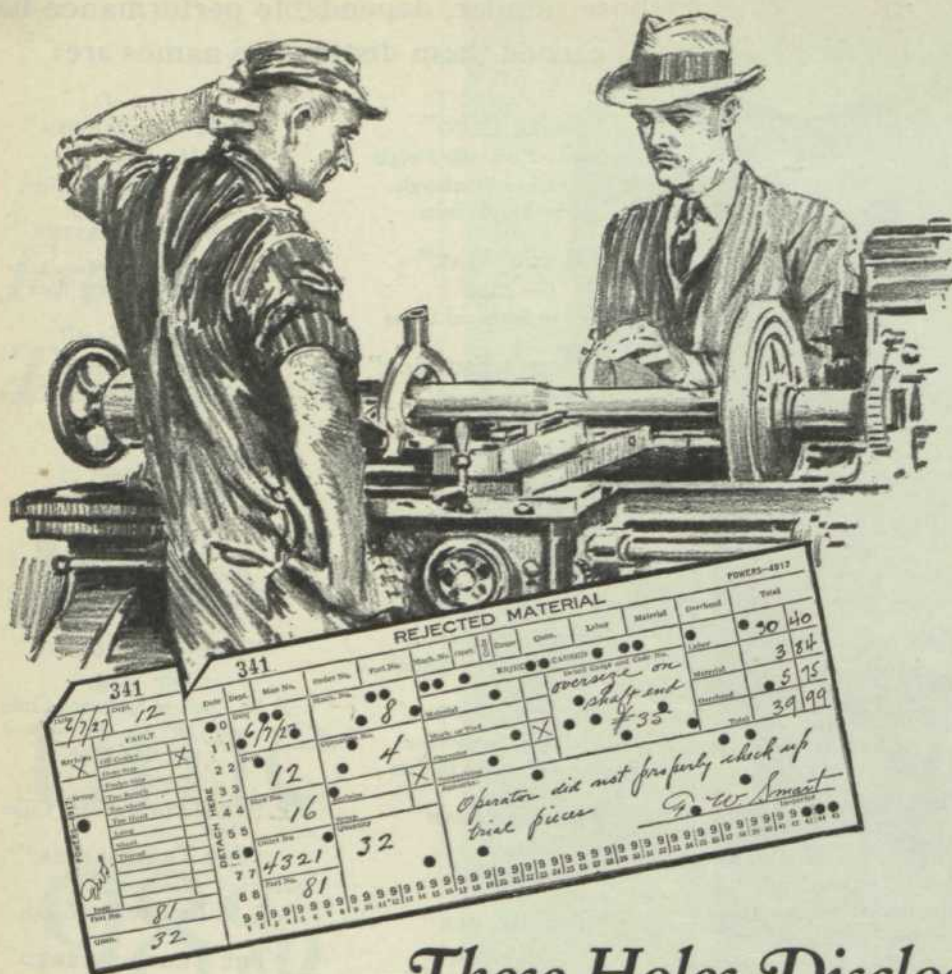
Literally, these trains have become working parts of the manufacturing and distributing machinery of their patrons. Through rain and snow and blackest night they have functioned day after day with a regularity and dependability that sets a new standard in American railroading.

Among the Pennsylvania Freight Trains whose regular, dependable performance has earned them distinctive names are:

"SPARK PLUG"	"THE GAS WAGON"
<i>Live Stock—Perishable Freight</i>	<i>Merchandise</i>
Cincinnati to Pittsburgh and Seaboard Cities	Detroit to Seaboard Cities
"MAN O' WAR"	"THE IRON MASTER"
<i>Live Stock</i>	<i>Merchandise</i>
Chicago to Seaboard Cities	Pittsburgh to New York
"THE PURPLE EMPEROR"	"UNCLE SAM"
<i>Perishable Freight</i>	<i>Perishable Freight</i>
(From Southern States)	E. St. Louis to Seaboard Cities
Washington to Buffalo	"THE VAMP"
"THE YANKEE"	<i>Merchandise</i>
<i>Perishable-Merchandise</i>	Cincinnati to Chicago
New England to Chicago	"THE EAGLE"
"THE DIVIDEND"	<i>Perishable-Merchandise</i>
<i>Perishable-Merchandise</i>	Cleveland to Seaboard Cities
Wilkes-Barre to Pittsburgh	"THE GREYHOUND"
"THE BLUE GOOSE"	<i>Live Stock</i>
<i>Perishable-Merchandise</i>	E. St. Louis to Seaboard Cities
Seaboard Cities to Buffalo	"THE ECLIPSE"
"THE SALESMAN"	<i>Merchandise</i>
<i>Merchandise</i>	E. St. Louis to Seaboard Cities
Chicago to Buffalo	"THE TRAILBLAZER"
"THE PACKER"	<i>Merchandise</i>
<i>Perishable Freight</i>	E. St. Louis to Pittsburgh
Chicago to Seaboard Cities	"THE THOROUGHbred"
"THE RELIABLE"	<i>Live Stock</i>
<i>Perishable-Merchandise</i>	Indianapolis to Pittsburgh and Seaboard Cities
Chicago to Columbus	"THE BULLET"
"THE MASCOT"	<i>Perishable Freight</i>
<i>Merchandise</i>	Indianapolis to Seaboard Cities
Chicago to Pittsburgh	"THE CAT BIRD"
"THE CINCINNATUS"	<i>Perishable-Merchandise</i>
<i>Merchandise</i>	Norfolk to New York
Cincinnati to Seaboard Cities	"THE PREMIER"
"THE CRACKAJACK"	<i>Live Stock</i>
<i>Merchandise</i>	Pittsburgh to Seaboard Cities
Buffalo to Seaboard Cities	"THE CHAMPION"
"THE BISON"	<i>Perishable-Merchandise</i>
<i>Live Stock—Perishable</i>	Pittsburgh to Wilkes-Barre
Buffalo to Seaboard Cities	"THE ORIOLE"
"THE BULL DOG"	<i>Perishable Freight</i>
<i>Merchandise</i>	(From Southern States)
Akron to Seaboard Cities	Washington to New York
"THE COLONEL"	"UNCLE REMUS"
<i>Perishable-Merchandise</i>	<i>Perishable Freight</i>
Chicago to Louisville	(From Southern States)
"THE BIG SMOKE"	Washington to Boston
<i>Merchandise</i>	"THE ACCELERATOR"
Columbus to Chicago	<i>Merchandise</i>
	Toledo to Pittsburgh

RAILROAD

Carries more passengers, hauls more freight than any other railroad in America

WHEN **POWERS** CONTROLS YOUR SPOILAGE**These Holes Disclose**

**32 Parts No. 81 Rejected from Operator No. 16
at Machine No. 8**

And will it pay to scrap or salvage?

When the inspector rejects worked material, a Powers card is prepared. This card is the basic record of all vital spoilage information. It reveals not only the quantity and value, but determines whether the cause be incompetent workmanship, improper supervision, defective material or incorrect machine set-up.

But the card is more than a memorandum.

When used with Powers Mechanical Accounting

Equipment it automatically gives immediate information to the production department for rescheduling parts spoiled in process and establishes a cost basis to determine the advisability of reclaiming or scrapping. This same method gives your accounting department definite and immediate data for the adjustment and correction of inventories.

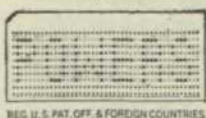
Powers minimizes spoilage loss through immediate information. Our bulletin will tell you the complete story.

ADAPTATIONS

Powers equipment is in general use wherever such work as this is done:

General Accounting—Payroll and Labor Distribution—Material and Stores Record—Sales and Profit Analysis—Insurance Accounting and Statistics—Public Utilities Accounting—Census and other Vital Statistics—Traffic and Transportation Accounting—Chain Store Sales and Inventories—Federal, State and Municipal Accounting

POWERS ACCOUNTING MACHINE CORPORATION
374 Broadway, New York City



POWERS
ACCOUNTING MACHINES

POWERS PRINTS NAMES AND WORDS AS WELL AS FIGURES.

When writing to POWERS ACCOUNTING MACHINE CORPORATION please mention Nation's Business

Life of a Pioneer Merchant.—II**Early Business Policies and Advertising**

These chapters, from the life of John Wanamaker, are reprinted from Herbert Adams Gibbons' "John Wanamaker," by arrangement with Harper and Brothers, Publishers.—The Editor.

THROUGHOUT his career John Wanamaker was daring and original. His business life was far longer than that of any other great American merchant. The revolutionary changes, in bringing about which he played a great part, marked a new era in retail merchandising. Up to the very end of his life he remained a pioneer.

In a speech in the 1894 congressional campaign Wanamaker said:

There are certain classes of men that cannot exist without play for their invention and energy. They must have an individuality, as much as the painter or poet or artist. They have to live in a swing. Their nature requires that.

He was speaking of adventurers; and he was one of them.

Maintenance of the all-wool standard in men's clothing was the first distinctive policy of Wanamaker & Brown. It was resistance against an innovation rather than the making of one. The soaring price of wool after the start of the Civil War caused many reputable stores to yield to the temptation of offering fabrics mixed with cotton. In the autumn showings in 1861 they felt that customers would be attracted more by price than by quality. But John Wanamaker believed that for a new house, just breaking in, there was advertising value in offering nothing but all-wool, and he put out the slogan, "No shoddy sold here." In volume of business the result was at first disappointing, but the all-wool guaranty brought in customers that could be counted upon as permanent.

Selling Quality Goods

THE all-wool guaranty, rash as it seemed, proved a blessing in disguise. It gave the firm a reputation among men seeking the best, and many customers were gained who would not otherwise have thought of buying at Oak Hall. It grounded John Wanamaker in building up his name and his advertising upon quality goods. The immediately important effect of the policy, however, was to make it a life-and-death matter to Wanamaker & Brown to devise new methods of doing business.

The merchant of the "sixties," if he hoped to change the conditions and standards of retailing, needed more than honesty and industry and selling skill; needed more than organizing ability; needed more than what is called business sense. Men far better established than John Wanamaker possessed some or all of those qualities. Where he differed from his contemporaries from the very beginning was in his willingness to look upon merchandising

as a science that had to be studied. Oak Hall was to him a school, with daily lessons to be learned.

Up to the close of the Civil War, when Oak Hall announced that merchandising was a public service, belief in the identity of interests between merchant and customer did not exist. On the contrary, buying and selling at retail was as much pitting wit against wit as buying and selling at wholesale. Every sale was an argument. The customer had no confidence in the merchant and had to trust his own shrewdness and knowledge as to quality and price. The merchant looked upon the customer as an enemy from whom tribute was to be exacted. The amount of profit depended upon cleverness in selling. The more ignorant or careless a customer, the more easily he was deceived. *Caveat emptor* (let the buyer beware) had persisted from Roman times as the expression of the natural relationship between merchant and customer.

Adopted One-Price System

THE credit for having initiated the one-price system in retail merchandising has often been given to Wanamaker; but he himself wrote on March 2, 1907:

A. T. Stewart first began the one-price rule for dry goods, and our system carried it further than he did.

This generous attribution to another of the policy so frequently attributed to him is backed by many authorities. But we find it advertised by other New York stores in 1841 and 1842. It was claimed by Marshall Field in 1867. Both in England and in France one price was made a drawing card by merchants at least as early as we find it on this side of the Atlantic. The Bon Marche advertised it in 1854 but did not claim to be the first in making the effort to put a stop to haggling and bargaining in the retail trade. The earliest definite claim that we have been able to discover is that of the great Newcastle merchant, Bainbridge, who opened a shop in 1837 with "a definite fixed price, distinctly marked on all goods, and to this custom he rigidly adhered."

Where Wanamaker led the way in establishing one price as a business principle, later to be universally accepted in retailing, was by announcing in 1865 that the customer could return the article and get his money back. There were no strings to this offer (except, of course, that the article had not been used). We find nowhere that this policy had been advertised before Oak Hall announced it. It was really the complement to one price. It gave the buyer faith in the genuineness of the claim that the price he paid was the same to all.

It was a stroke of genius that revolutionized the American mercantile world of the post-Civil War period.

"One Price" was not invented by John Wanamaker either as a slogan or as a policy. "Money Back" was; and it meant for Wanamaker & Brown the turning of the corner in their retail business.

At a recent convention of the Advertising Clubs of the World, at Dallas, Texas, a man went around among the delegates, handing out his visiting card, on which he

The Hauserman Sky Line



Steel Partitioned by Hauserman

CHANGING the sky lines of cities
Achievements that stagger the imagination
. partitioned with steel—Hauserman
Movable Steel Partitions.

Leaders in industry have been quick to grasp the greater value of Hauserman Movable Steel Partitions. Permanency, ease of rearrangement, lasting finish, simple rigid construction and the widest choice of types, grades and finishes.

Such notable structures as the Paramount Building, Barclay-Vesey Building (home of the New York Telephone Co.) and the Elverson Building, (home of the Philadelphia Inquirer)—here pictured—are partitioned throughout with Hauserman Movable Steel Partitions. The Cadillac Motor Car Co., the Eastman Kodak Co., the General Electric Co., the Westinghouse Electric & Mfg. Co. and the United States Steel Corporation are among the hundreds of others who over a period of years have used Hauserman Steel Partitions.

Ask for information about this complete line.
Discover these new—these greater partition values.

THE E. F. HAUSERMAN COMPANY
Largest Steel Partition Manufacturer
6811 Grant Avenue CLEVELAND, OHIO
Sales, Engineering and Erection Service at Branches in Principal Cities
"ORGANIZED FOR SERVICE NATIONALLY"

Eleven Types and Grades Twenty Color Combinations

Forerunners of a new epoch in the subdivision of all kinds of commercial and industrial building space. Finishes to harmonize with any interior are available.

*The 7 points of
Superiority*

1. Complete line
2. Built of Steel
3. Attractive appearance
4. Greatest movability
5. Sensational prices
6. Easily wired
7. Erection service

*Found in all
Hauserman 11 types
Partitions*

HAUSERMAN

MOVABLE STEEL PARTITIONS

When writing to THE E. F. HAUSERMAN COMPANY please mention Nation's Business

Executives!



Study Well these Basic Profit Factors

Vital Plant-site facts in this free book

BUILD your factory or branch in Erie—let Erie's rare economic set-up help put your business *ahead* of the crowd!

Written From Your Point of View

Base the study of your location problem on the 5 great advantages Erie offers—the basic factors that govern production and sales costs, trade leadership and net profits!

Think of Erie, just overnight from 39 huge markets! Direct rail service! Vast raw material sources close by! Cheapest coal of all lake cities! Labor—skilled, plentiful! Read the full story in "5 Great Advantages"—32 pages of facts, figures, data, charts, graphs.

Send the Coupon

Get this sound book—free! Satisfy yourself. Mail the coupon today!

ERIE

PENNSYLVANIA

*City of 5 great
advantages*



ERIE CHAMBER OF COMMERCE
Erie, Penna.

Date _____

Please send a copy of your booklet
"5 Great Advantages."

Name _____

Firm _____

Address _____

N. B.—6-1-27

had, after his name, the modest claim, "Highest paid writer in the world." He was a slogan-maker, and his claim—if inventing slogans constitute a writer—may have been true. The amusing incident gave rise to a discussion among clever delegates as to what slogan had made the most money for its inventor. One insisted that the three words, "His master's voice," could not be surpassed for financial return.

"I know two words that made far more money than that," said another.

"What?"

"John Wanamaker's 'Money back.'"

There was a chorus of "You win!"

Large Stores and Advertising

WHEN John Wanamaker went into business, the era of the small shopkeeper selling to his neighbors was coming to an end. The growth of cities and the increase of facilities of transportation and communication created the opportunity for a rapid evolution in retailing. The precedent of mammoth establishments, developing from specialty shops into general stores, was already set in London and Paris, whose merchants antedated by a few years Stewart, Wanamaker, and Field, precisely because concentration of population in great centers was an earlier phenomenon there than here. But in the field of advertising Americans were the unquestioned pioneers and originators. Here John Wanamaker led the others, and he continued to lead as long as he lived. As his business grew he employed able men to carry out his ideas, but he never relinquished the control of every detail of advertising. For over sixty years he studied advertising, which he regarded as the life blood of his business.

Oak Hall advertising, therefore, is an original source in the history of this essential auxiliary of the business man.

Wanamaker was in business only a few years when he said that every cent he had invested in advertising had created tangible assets that could at any time be converted into cash to yield a better return than other opportunities of investment he had had.

Along with his conception of advertising as a capital investment Wanamaker placed the necessity of having the goods to advertise. Here the buyer's knowledge, energy, and resourcefulness were the indispensable corollary of the advertiser.

Early in his career he declared that advertising money was squandered unless the customers attracted by it could be held. Then it was that he added to buying ability deftness in salesmanship. In his first recorded talk to his staff he is reported to have said:

"I try my best to buy in falling markets. I manage to have the cash or get the credit to make the purchase. I buy only good and attractive stocks. Then I put more money than I have into advertising. But this does not complete the work. You

must show the goods and sell them, and it isn't all right for me to have put out a lot of money in advertising just for that particular sale to that particular customer. You must make him want to come back.

"What we advertise we must do. Tell the customer the exact quality of the goods, if he does not know it, and don't let him be satisfied with a poor fit or with a style that is manifestly unbecoming. Don't you see that his women folk will make him dissatisfied? Then he won't come back. Why am I advertising?"

In advertising methods, being inexperienced, enthusiastic, and bold, he was willing to try anything once. What were the best advertising mediums? He did not know. So he made experiments and studied them.

Illustrations of this are numerous. They go back to the first years of Oak Hall. He put a man in livery outside the door, but it did not take him long to discover that this gave a wrong impression to his Market Street trade. He overheard a man saying that the porter's livery and wages were paid by those who bought clothes in that place. The doorman disappeared, to bob up years later where women were delighted with his presence. A big gong was placed by the door, which was rung when the customer entered. Wanamaker thought that this would impress upon clients their importance and the desire to serve them immediately. But he found that it annoyed some and embarrassed others. The gong was taken out.

He was the first man in this country to try the mystery dodge. On boardings of vacant lots or where building was going on all over the city he got permission to have

W & B

painted in letters 12 feet high. That was the whole advertisement. Everybody in Philadelphia became curious to discover what the letters stood for. When he thought that all Philadelphia knew, he stopped short.

Novel Ways of Selling

AT COUNTY fairs around the city, which were important events in the sixties, handbills were distributed stating that Wanamaker & Brown specialized in out-of-town trade. Coaching had just become a fad of the rich. Wanamaker, to the disgust of the ultrafashionable set, got a coach with six horses—four was the usual number—and sent out Oak Hall employees, dressed as the smart coachers rigged themselves up, to "traverse the country in every direction, scattering advertising matter to the music of the horn," as Wanamaker put it in telling of this stunt. The handbills stated that balloons would be released from the roof of Oak Hall, and that whoever brought one back would receive a suit of clothes free. The balloons were 20 feet high and were made right on the roof. Next came bigger balloons to write the



A. T. Stewart, the original merchant prince, who began the "one-price" rule. From an old print

Rubber — *the elastic point in profits!*

Full measure profit from the motor fleet depends to large degree upon tire equipment . . .

Certain tires can get more trips per day. They can haul more tons on a single set of tires. Tires, rightly chosen, can give your trucks the cushioning of air, combined with the absolute freedom from trouble found in solid rubber.

Other tires can give your trucks the speed of passenger cars.

Each of these points has a bearing on profits. And each of these needs can be met by a certain Goodrich Tire—because Goodrich builds the right tire for every job.

THE B. F. GOODRICH RUBBER COMPANY
Established 1870 Akron, Ohio
In Canada: Canadian Goodrich Company, Kitchener, Ont.

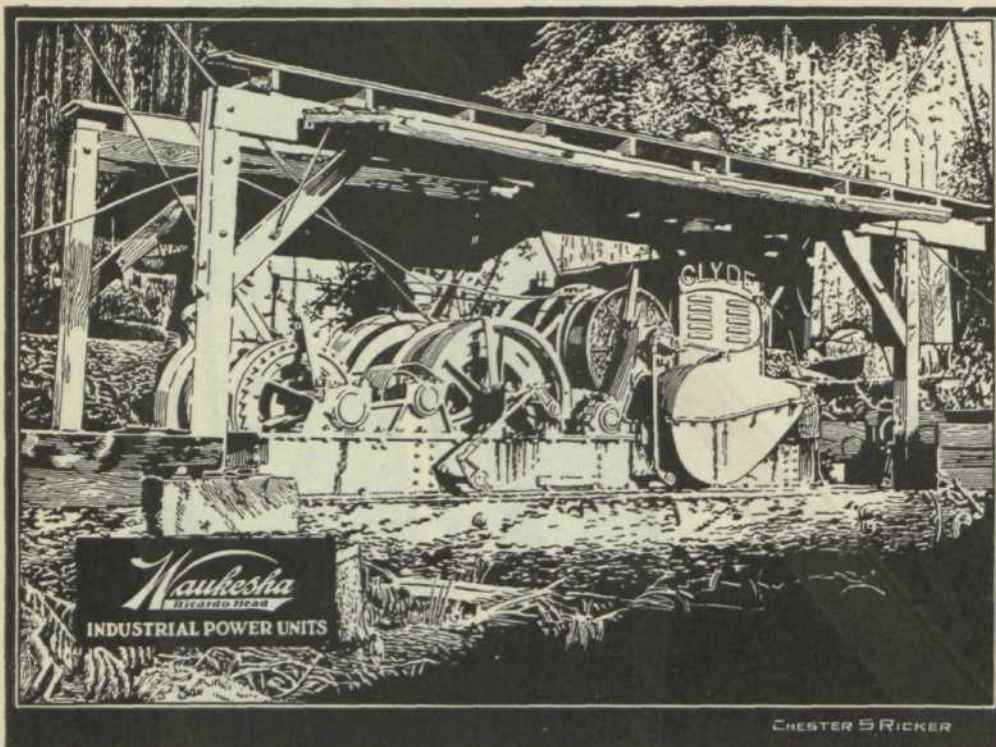


Goodrich

FOR TRUCK TIRES

ARE YOU developing your "Fringe Markets"?

Write Merle Thorpe, Editor of Nation's Business if you want to know more about "Fringe Markets"



Turning losses into profits

That is what you can do by developing your "Fringe Markets"

TWO YEARS AGO Waukesha Heavy Duty "Ricardo Head" engines were unknown in the "Big Timber" of the Northwest. Today every big builder of portable gasoline yarders uses them.

REDUCED OPERATING COSTS, when using our engines, made it possible to cut hitherto inaccessible scattered stands of timber and turn losses to profits.

HOW? Because they use gasoline, an easily portable fuel, and little of it; do not have to depend on a convenient supply of water; are easily portable because of their light weight; are low in first cost and eliminate the lumberman's greatest menace, the fire hazard which is always with the steam rigs they replace.

LUMBERING IS ONLY ONE of the thirty-two industries that uses Waukesha "Ricardo Head" engines. You will find that any product equipped with a Waukesha "Ricardo Head" engine is known by the service it renders rather than by the price at which it sells.

PERHAPS YOU, TOO, have a "Fringe Market," and wish to build a unit requiring economical, portable gasoline power? We can furnish engines or completely enclosed power units varying in size from 20 to 125 horse power, and our engineering advice is yours for the asking, without charge or obligation. Just have your secretary put this page in the mail. We will do the rest.



HEAVY DUTY GASOLINE ENGINES

No. 2 of a Series

WAUKESHA MOTOR COMPANY

Waukesha

Wisconsin

Exclusive Builders of Heavy Duty Automotive Type Gasoline Engines for Over Twenty-one Years

When writing to WAUKESHA MOTOR COMPANY please mention Nation's Business

invitation to Oak Hall against the sky. When these forms of attracting attention were no longer novel, Wanamaker distributed toy balloons to children who came to Oak Hall with their parents.

Then came Oak Hall slates and pencils and tracing books, and later the series of children's books with colored plates that are preserved in the Library of Congress as models of pioneering in this form of advertising. We do not know whether Oak Hall originated picture postcards; but they were there before 1870, and were used with great effect at the Centennial Exhibition in 1876. The first artistic illustrating for mercantile advertising was done under Wanamaker's direction. Of its quality we are able to allow our readers to judge by reproductions from the Furness collection. The Oak Hall advertisements were so popular that constant demand led Wanamaker & Brown to sell the right of reproduction, and a catalog and price list of the drawings was published, a document unique in the history of advertising.

An Innovation in Advertising

IN 1864 a solicitor walked into Oak Hall one day and suggested that Wanamaker & Brown consider an advertisement in the City Directory. The custom of putting modest advertisements at the foot of the page on which the advertiser was listed had just come into vogue. In this way, the solicitor explained, attention was drawn immediately to "important establishments."

"How about the top of the page?" asked the young merchant.

"We have never done that, sir."

"Well, what if I took the top of every page in the book?"

The man was struck dumb.

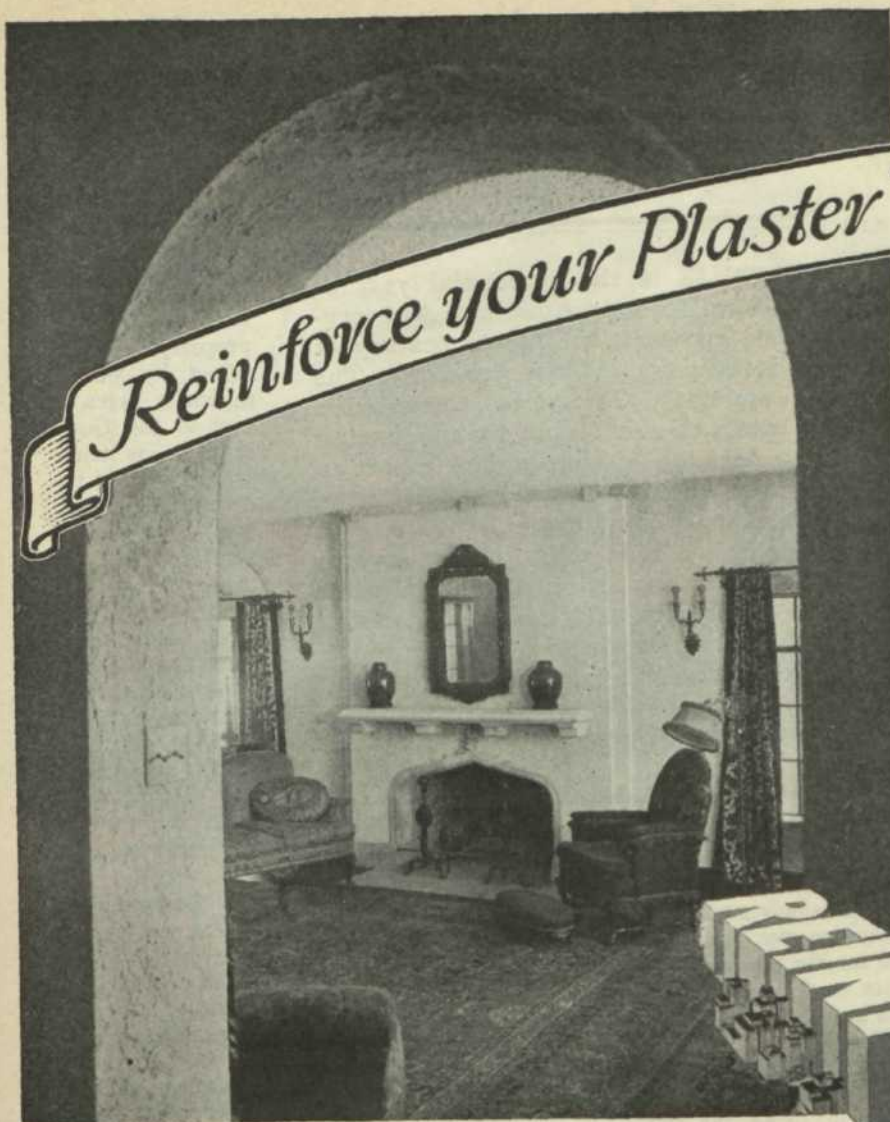
"Have the publisher figure on that and let me know."

As the solicitor was leaving the little cubbyhole Wanamaker still used for his office, the young merchant added, "If I put in an order like this, I shall expect also to have the cover page of the directory for a picture of our building."

The cost of the innovation was stiff. But Wanamaker paid it. The 1865 City Directory carried Oak Hall on the cover, and every time it was used the person finding a name had the merits of Wanamaker clothing staring him in the face.

Despite the fact that it had become the largest business of the kind in the United States and was now known over a wide area outside of Philadelphia, a house that dealt exclusively in men's and boys' clothing could not revolutionize business methods even in one city. Having only one line of goods to offer, Wanamaker was limited in his influence in the general field of merchandising, and at the age of thirty-six he had well-nigh exhausted the possibilities of further development in the advertising of a clothing establishment. It was as far as he could go. Wanamaker did not realize this fact until the Centennial Exhibition opened his eyes to the wider field two years later. From the Grand Depot must be dated the beginning of a new stage in Wanamaker advertising. But upon the foundation of Oak Hall was built what was to follow.

(Copyright, 1926, by Rodman Wanamaker)



Reinforce your Plaster Walls and Ceilings

*"Don't Build an Old House -
Use Modern Materials"*

Beauty and Freshness Are Retained in Plaster Walls and Ceilings—

you can always point to them with pride—no cracks, lath marks, stains, or fallen ceilings, when the plastering is applied to NATIONAL REINFORCING.

NATIONAL REINFORCING for PLASTER and STUCCO is composed of a galvanized [non-rusting] welded steel wire fabric (the same material, only heavier in weight, is used to reinforce and strengthen concrete roads, bridges, floors, gypsum roofs, etc.) combined with heavy, two-ply, moisture-proof, sound-deadening insulation—it is used in place of lath—a reinforcement, insulation and sound deadener, all in one product, quickly and easily applied in one operation by lathers.

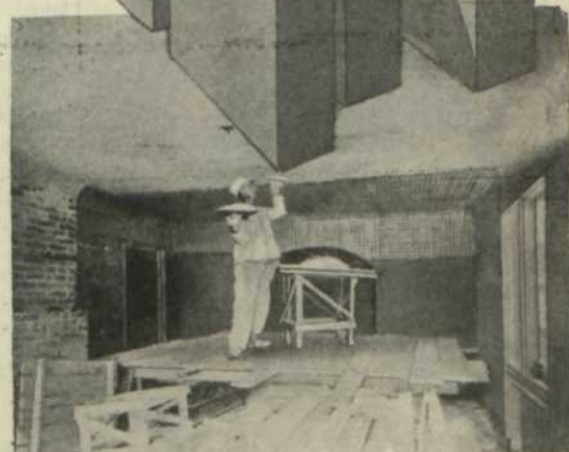
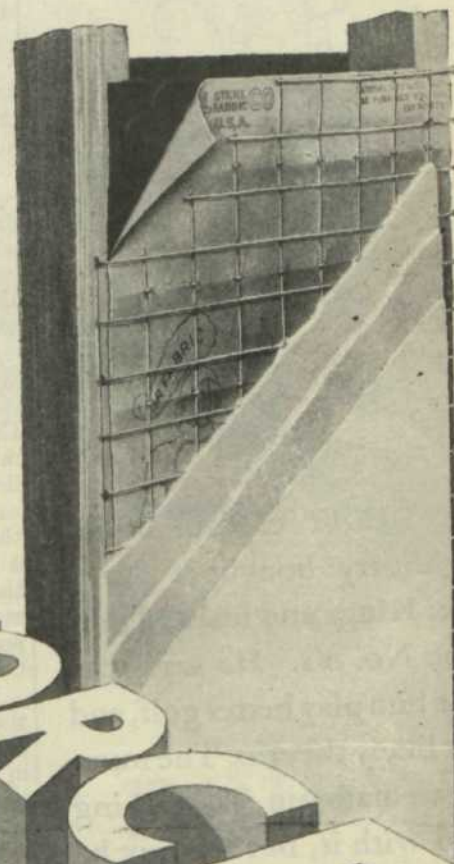
This material has been used by good plasterers in thousands of modern homes, where crack-free, insulated walls were desired at reasonable cost.

"Given the right materials to work with, the up-to-date plasterer becomes an artist who makes your walls as pleasing and refreshing as a picture."

NATIONAL STEEL FABRIC COMPANY
SUBSIDIARY OF PITTSBURGH STEEL CO.
UNION TRUST BUILDING
PITTSBURGH, PA.

OFFICES AND WAREHOUSES IN PRINCIPAL CITIES

When writing to NATIONAL STEEL FABRIC COMPANY please mention *Nation's Business*



NATIONAL STEEL FABRIC COMPANY,
911 Union Trust Building, Pittsburgh, Pa.

NB-6

Gentlemen:

Without charge or obligation, please send me your new book on REINFORCED PLASTER CONSTRUCTION and the names of plasterers in my locality who will give me prices on NATIONAL REINFORCED PLASTER and STUCCO.

Name _____ Date _____

Business _____ Street and No. _____

City _____ State _____

Play the SILVER KING*



A GREAT captain of industry bought a dozen Silver Kings and insisted they all be No. 3's. He says they make him play better golf, and most likely they do. The number, we maintain, has nothing to do with it, but the fact he is playing the King *does* help to inspire the confidence which inspires good golf.

*Reg. U. S. Pat. Off.



[IMPORTED BY]

John Wanamaker
NEW YORK BOSTON PHILADELPHIA
CHICAGO MEMPHIS LOS ANGELES

Wholesale Golf Distributors

Railroad Valuation to the Fore

By RICHARD WATERMAN

Department of Transportation and Communication,
Chamber of Commerce of the United States

WHAT are the railroads of the United States worth?

Are they worth forty-odd billions;

Or twenty-odd billions;

Or just what?

In an article on railroad valuation in the March issue of NATION'S BUSINESS I asked these questions and told in some detail the story of railroad valuation by the Commission under the provisions of the Transportation Act.

The Interstate Commerce Com-

mission inclines toward the twenty-odd billion valuation. This opinion is clearly indicated in the Commission's recent order in the O'Fallon recapture case, which presents a clear-cut issue for the Supreme Court of the United States to decide. Thus, as NATION'S BUSINESS in an editorial in the May number says, "The 'Biggest Lawsuit of the Century' may now proceed."

Will the court approve or disapprove the method used in fixing the value—a method which affects every mile of railroad in the United States? Will this final tribunal accept or reject the Commission's valuations?

No one can forecast what the Supreme Court will decide. Some experts maintain that the method used by the Commission is sound and that the result should and will be approved. Others reply that the method is not sound; that it is contrary to the principles laid down by the Supreme Court in a series of public utility valuation cases extending over a period of 30 years—from Smyth vs. Ames in 1898 to the Indianapolis Water Case in 1926. At any rate the answer will not be long delayed.

The O'Fallon railroad has already brought suit in the Federal District Court at St. Louis seeking to restrain the Commission from collecting any excess earnings under its recent order. This injunction case will undoubtedly be appealed to the Supreme Court of the United States at an early date.

Gist of the Decision

THE O'Fallon decision directly challenges the cost-of-reproduction theory of railroad valuation—a theory which, if adopted by the Commission and supported by the Supreme Court, would, in the opinion of many people, probably result in government ownership of our railroads.

The Transportation Act of 1920 requires

THIS is the centennial year of railroads in America. As everyone knows, it has been a century of literally stupendous progress. The Interstate Commerce Commission marks this centennial by announcing a decision of tremendous import to the future of railroad transportation in this country.

This article tells, in language as simple as so essentially technical a story can be told, what this decision is and its importance not only to the railroads, but to every business man—indeed, to every citizen—in the country.—The Editor

that any railroad earning more than 6 per cent on the fair value of its property as determined by public authority shall pay to the Government as trustee one-half of its excess earnings above 6 per cent. This is the famous "recapture clause." In the decision under consideration the Interstate Commerce Commission has fixed the value of the O'Fallon railroad at a definite figure for recapture purposes, and

then on the basis of this valuation has ordered the railroad to pay the Government \$226,000 of excess earnings for the years 1920 to 1923.

This is the first instance in which the Commission has used a valuation as the basis for recapture of excess earnings from any railroad that questioned its valuation. Many roads have protested against valuations fixed by the Commission, but, previous to this decision, they have been unable to attack these valuations in the courts because the Commission had not used them for any definite purpose. Now for the first time the railroads can carry their case to the Supreme Court.

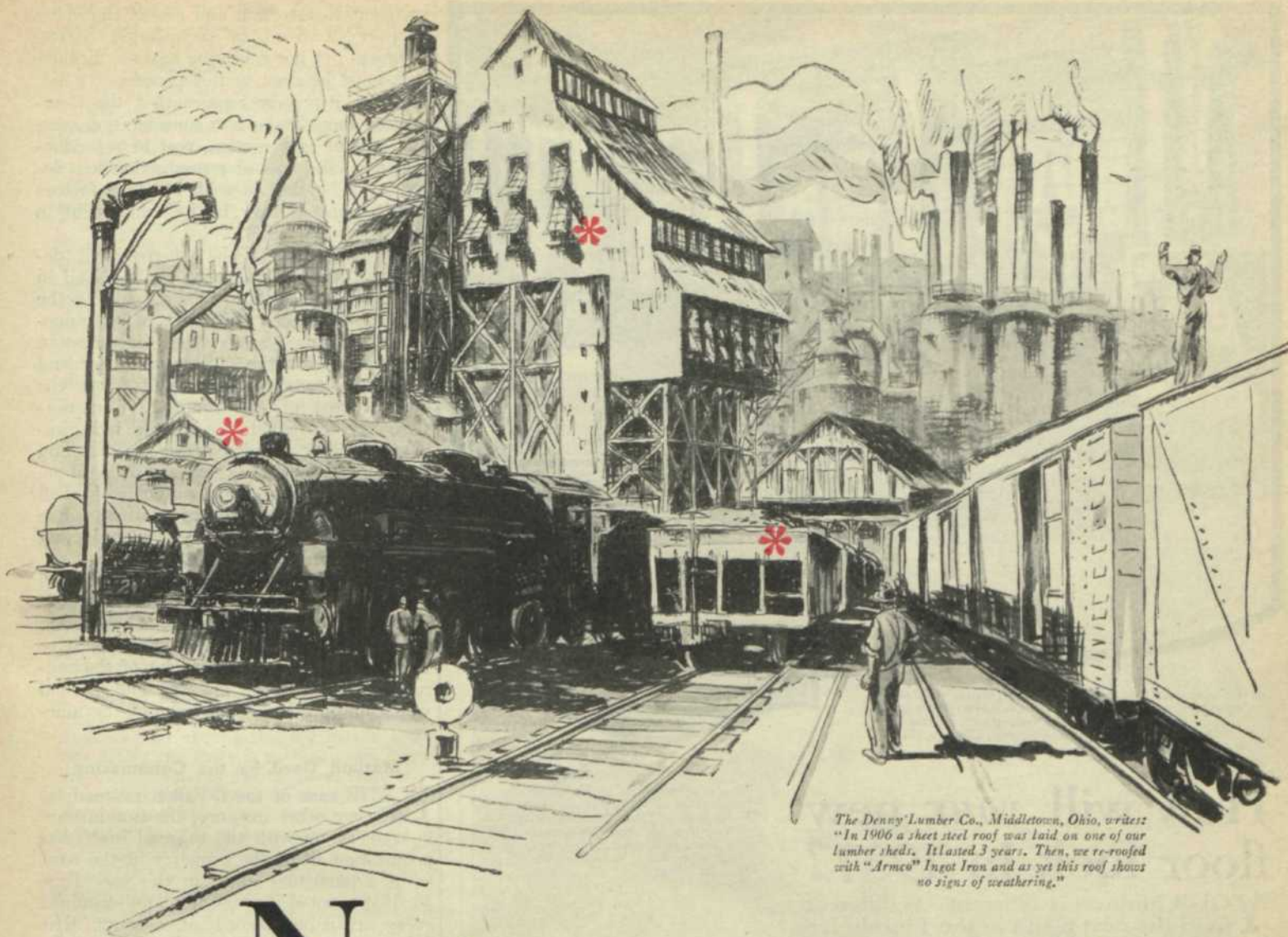
The O'Fallon Railroad

THE O'Fallon railroad operates about nine miles of main line, and 12 miles of yard track and sidings in the State of Illinois. It is hardly more than a plant facility serving a few coal mines owned by a single estate. It is valued by the Commission at only \$850,000. But in spite of the relative insignificance of this road the Commission attaches great importance to the O'Fallon decision, as is shown by the following passage quoted from its report:

We are dealing here with one small railroad. Nevertheless, what we do in this case we must in principle do for all the railroads in the United States. . . . There is here presented in reality a great national problem affecting public policy and welfare in a most profound way. In essence it is presented as clearly as it could be in the case of a railroad involving hundreds of millions of investment. In important aspects it is a problem which has never before been presented to either a commission or a Court.

Factors in Railroad Valuation

THE PROBLEM to which the Commission refers—valuation of railroads on a national scale—is indeed a difficult one. In 1913, Congress directed the Commission as



The Denny Lumber Co., Middletown, Ohio, writes:
"In 1906 a sheet steel roof was laid on one of our
lumber sheds. It lasted 3 years. Then, we re-roofed
with 'Armco' Ingot Iron and as yet this roof shows
no signs of weathering."

No insurance policy covers *Rust-Fire**

So industry is making it a policy to specify "Armco" Ingot Iron . . . itself an insurance against the unseen fire RUST.

EVERY year there are thousands of fires on which insurance is never paid—The rust-fires consuming costly equipment in America's industrial plants. The damage rust does is a total loss that eats deep inroads into hard-earned profits.

Would you insure against rust? Then specify "Armco" Ingot Iron wherever you use sheet metal.

"Armco" Ingot Iron is unequalled in resisting the attack of rust. It is practically free from the impurities that hasten rust in steels. And no other iron is so pure.

Years of service under the most severe conditions have proved its sturdy endurance. On the roofs and in the walls of factory buildings, in mines, railroad cars, coal handling equipment, tanks and smokestacks

. . . "Armco" Ingot Iron is saving money for business men.

The use of enduring "Armco" Ingot Iron also protects your investment in men's time. (Important when you remember that sixty cents of every dollar on a sheet metal job is spent for labor.) Moreover, the job goes faster because this iron is unusually ductile and easy for sheet metal men to work.

More and more, executives are making it a policy to insist on the use of "Armco" Ingot Iron for all sheet metal work. It saves them money and annoyance over upkeep details. Look for the Armco Triangle on every sheet, to be sure of Armco protection against rust.

Whether you are going to build or repair, you will save money by insisting on "Armco" Ingot Iron

for all sheet metal work. Look for the Armco Triangle on every sheet. This triangle identifies the purest iron made.

And in the HOME . . . Home owners and builders, too, are saving the cost and annoyance of frequent repairs. They are insisting on galvanized "Armco" Ingot Iron for gutters, downspouts, flashings . . . and other weather-exposed metal parts about a house.

Here, "Armco" Ingot Iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the Ingot Iron sign.

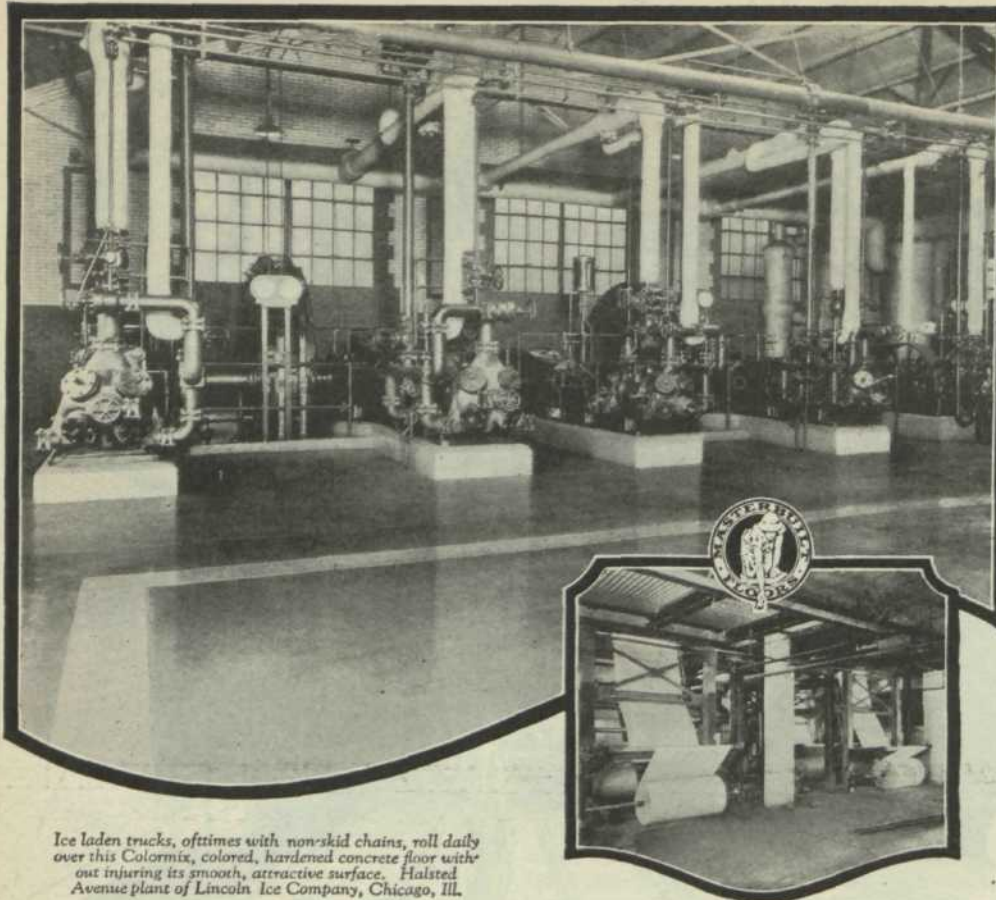
AMERICAN ROLLING MILL COMPANY
MIDDLETOWN, OHIO



ARMCO
INGOT IRON

RESISTS RUST

***RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.



Ice laden trucks, oftentimes with non-skid chains, roll daily over this Colormix, colored, hardened concrete floor without injuring its smooth, attractive surface. Halsted Avenue plant of Lincoln Ice Company, Chicago, Ill.

How will your new floor look in 1937?

YOUR business is different—as different from the next man's as the Lincoln Ice Company's is from the Jersey Journal's. But in one respect it is like all others—to function smoothly it must have the right kind of floors for its particular needs.

Master Builders Method provides the particular type of hardened concrete floor your business requires. There is a Masterbuilt Floor that will serve you better, longer, more economically than any other kind of floor. Our experts will study your needs and show you how our Method meets them.

We have been doing this since 1911 for businesses of all kinds. Hundreds of Masterbuilt Floors, installed in 1911, 1912, '13 and '14 are still giving perfect service. Convinced by such performance, scores of big businesses—the list here is typical—are installing Masterbuilt Floors this season, knowing that ten and fifteen years from now their floors will be assets, not liabilities.

How about the floor you are installing this summer?

Send for "The Book of Masterbuilt Floors"

THE MASTER BUILDERS COMPANY

Sales Offices
In One Hundred Cities

CLEVELAND, OHIO

Factories at Cleveland
and Irvington, N. J.

Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

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Tons of newsprint on steel wheeled trucks grind over the floors of the Jersey Journal Plant, Jersey City, yet they show no wear. No cement dust arises to damage the bearings of costly presses. The building has Metallic Hardened Masterbuilt Floors.

Representative Users who are operating on Masterbuilt Floors over ten years old.

Pennsylvania R.R. Co., York, Pa.
H. O. Cereal Co., Buffalo, N. Y.
American Sign Co., Kalamazoo
Niagara Falls Power Company,
Niagara Falls, N. Y.
Architects Building, New York City
Sebring Pottery Co., Sebring, Ohio
Auerbach Candy Co., New York City
Packard Motor Car. Co., Boston
Bush Terminal Exhibit Building,
New York City
Dominion Express Co., Winnipeg,
Canada
Grand Central Terminal, New York City
Central Steel Co., Massillon, Ohio
City Harbor Sheds, Montreal, Can.
Davis Hat Co., Dallas, Texas

its agent to ascertain and report the value of every railroad in the United States. Congress did not prescribe any set formula that must be used in this process. It did, however, definitely require that the Commission should take into consideration original cost of construction, cost of reproduction new, and cost of reproduction less depreciation, giving to each of these factors such weight as may be just and right in each particular case.

A comparison of the congressional debates on railroad valuation in 1898 and in 1927, reveals a curious paradox. In 1898 the radicals demanded that cost of reproduction new be used as the basis for valuation because at that time prices were low and the cost of reproduction was far below the original cost of construction. Conservatives urged original cost as the most important factor. Today prices are high and therefore each side has reversed its position. The radicals demand that original cost shall be used as the basis for valuation; while the conservatives urge cost of reproduction new as the most important factor.

The Commission has spent 14 years on this work. It has devised its own methods within the lines laid down by Congress in the Valuation Act. It has fixed a tentative valuation on about 70 per cent of the railroad mileage of the country and a final valuation on about 8 per cent of the mileage.

Method Used by the Commission

IN THE case of the O'Fallon railroad, as in every other instance, the Commission in cooperation with the railroad itself, has inventoried all of the property of the road as of a particular date (in this case June 30, 1919), noted its condition and examined every available record or account that would throw any light on the value of the property. The results of this investigation have been recorded in the usual accounting, engineering and land reports. These reports were served upon the O'Fallon railroad before the present recapture proceedings began.

The method of valuation used by the Commission in this particular case is described by Commissioner Eastman in his concurring opinion, thus:

The basic value as of June 30, 1919, is arrived at (1) by estimating cost of reproduction at 1914 unit prices, (2) allowing for the actual cost of property installed after June 30, 1914, at higher unit prices, (3) deducting a minimum estimate of accrued depreciation, and then (4) adding so-called present value of lands and an allowance for working capital.

Cost of Reproduction New

AS AGAINST this method of valuation some of the carriers insist that the value of a railroad should be fixed on the basis of cost of reproduction new at present prices of labor and materials. The Commission sharply attacks this proposal in these words:

Let us consider the effect of applying this doctrine of current reproduction cost to all railroad property in the United States. For convenience in calculation and for want of an accurate figure we shall assume 18 billions as the value at 1914 unit prices of structures existing on June 30, 1919. . . . Taking

18 billions as the basis and applying the ratios (of current unit prices at the end of each year as determined by the Commission's Bureau of Valuation), the value of precisely the same structures would have become 41.4 billions in 1920, 35.1 billions in 1921, 28.3 billions in 1922, and 31.3 billions in 1923. In other words, assuming a static property there would have been a gain of 23.4 billions in 1920, a loss of 6.3 billions in 1921, a further loss of 6.8 billions in 1922, and a gain again of 3 billions in 1923. These huge "profits" and "losses" would have occurred without any change in the railroad property used in the public service other than the theoretical and speculative change derived from a shifting of general price levels.

To put it still more graphically, by the application of the current reproduction cost doctrine the assumed base of 18 billions would have been increased in 1920 by a sum greater than the present national debt (about 19 billions), and the transportation burden upon the people of the country would have been correspondingly increased without the investment of a single dollar by those who reap the benefits.

Stability a Prime Requisite

IN THIS decision the Commission strongly emphasizes the necessity for assuring stability of railroad rates as a prime requisite in the situation, both for investors and for the country as a whole. It says:

There is nothing more disturbing to commerce and industry than the prospect of frequent and abrupt changes in the general rate level; and there is nothing more disturbing to investors as distinguished from speculators than the prospect of frequent and wide shifts in security values. Public regulation of railroads, if it is to be successful, must rest upon a firm foundation and be guided by principles which will lend confidence to industry and investment. . . .

The conception of a rate base and returns thereon fluctuating up and down with changes in the level of general prices is a conception which, if carried into actual operation, could have no appeal except to stock market speculators. It would be difficult to conceive of any plan more conducive to the encouragement of unrestrained speculation in railroad shares than such a method of valuation. In all probability it would provide a feast superior to anything which the bulls and bears have enjoyed since the creation of stock exchanges.

Why the Government Ownership Fear?

IT MAY be asked "Why should anyone think that the cost-of-reproduction theory, if adopted by the Commission and sustained by the Supreme Court as the sole criterion of value, would inevitably result in government ownership?"

The people who hold this view would probably reason somewhat like this: "At present prices of labor and materials, it would cost 40 billions to reproduce all of the railroads in the United States. This is almost double the amount that would result from the application of any one of the standards ordinarily used in stating the value of the railroads. The Commission has fixed a tentative valuation of about 22.9 billions. The capital issues of all of the roads total about 22 billions. The railroads themselves have shown a property investment of about 24 billions, and have asked that this amount be used as the rate base.

"If the government should decide that

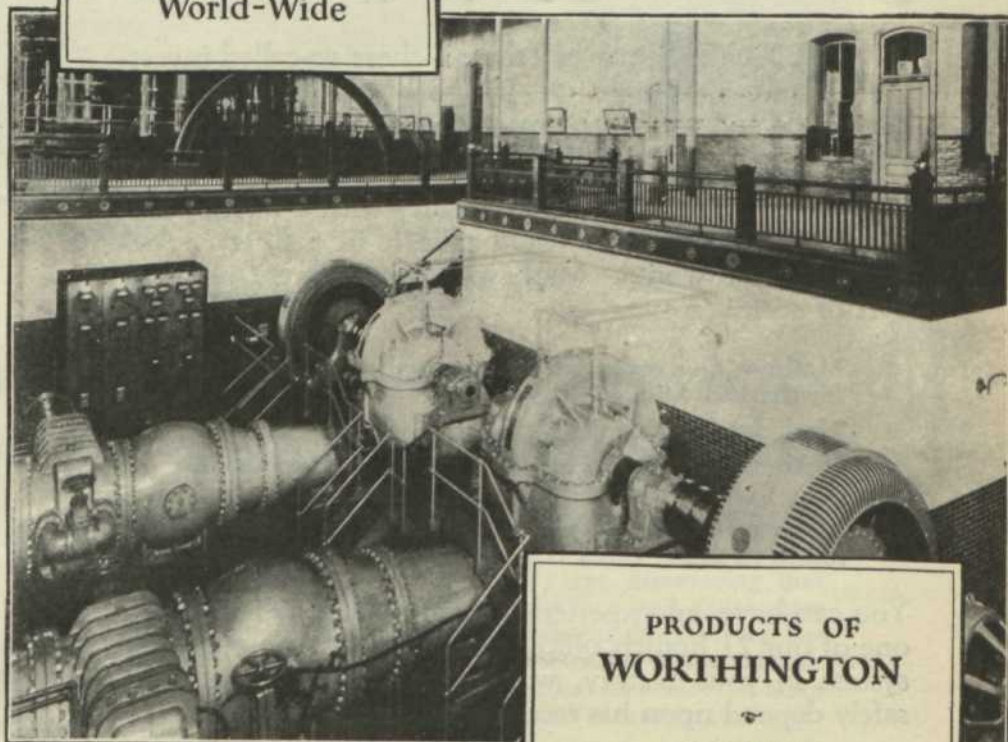
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Nevertheless, if you *knew* that an investment would yield 25 to 50 per cent of a certainty with a likely possibility of 100 per cent, you'd take it in a hurry. Any business man would. Mathews Conveyers are just that sort of an investment.

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the cost of reproduction at present prices represents the 'fair value' on which the railroads are entitled to earn 5¾ per cent, it would require an enormous increase in present freight and passenger rates to produce the necessary return. 5¾ per cent of 23 billions is 1.3 billions, 5¾ per cent of 40 billions is 2.3 billions. It would therefore require a rate increase of one billion dollars a year—16 2/3 per cent—to pay a fair return on cost of reproduction new."

At this point they could quote from Commissioner Eastman's opinion:

Acceptance of the current cost of reproduction doctrine would in its ultimate results be disastrous to private operation of railroads and public utilities, not only in periods of low prices but in high price periods as well. . . . In the case of publicly owned utilities not a cent has or will be added to the public burden from past investment by reason of the increase in general price level. In the case of privately owned railroads and utilities the current cost of reproduction doctrine would probably increase the public burden by upwards of \$30,000,000,000.

It is more than an interesting situation—it is a critical one. The Supreme Court must decide which view is correct.

Brief Notes on a Convention

BY A WIFE WHO WENT

NEVER having been urged to accompany my husband to a convention, I decided that it was high time I did. So this year I went.

The convention was held in one of the "Beauty Spots of the World." The reason for holding conventions in "Beauty Spots" is that they always have golf courses. This particular "Beauty Spot" had two golf courses, many tennis courts, a swimming pool, an ocean, and six little gambling machines in the hotel drug store. Thus do we make Beauty palatable for all.

My husband and I were there in the interests of the Bottle Blowers and Cappers.

It said in the convention circular, which I perused on the train, that we would arrive at our destination at about seven, and "after shaking hands with the bunch from the West," we would go directly to our rooms and wash up for dinner.

I read on in the circular.

"Mrs. Jones," it continued, "will take complete charge of the ladies of the convention and many delightful surprises have been planned.

"Will she dress and undress me?" I asked.

But my husband was deep in his paper.

When we arrived at the hotel we washed up, as it said we should, and went down to eat with the Bunch. About the first moment that I felt sincerely glad that I had come to the convention, was when I started in to eat. But in the very act of purveyal, my husband halted me.

"Open your song book," he whispered.

"My song book?" I asked.

"Yes, your little red song book," he whispered again, and this time hissing.

Into my hand he thrust a small red book.



Impeller of Bakelite Molded used in the Meadows Washer.
Made by The Meadows Mfg. Co., Bloomington, Ill.

Increasing sales and reducing service calls *because of the durability of Bakelite molded*

UPON the agitator in a washing machine falls the hard work of cleansing. If frequent and costly service calls are to be avoided the agitator must be strong, durable and non-corrosive. The makers of the Meadows Washer found all of these properties in Bakelite Molded.

As Bakelite Molded is very hard the smooth rounded edges of the "impeller" vanes do not wear and develop rough surfaces and sharp edges to cut and tear delicate fabrics. As it is non-hygroscopic and non-corrosive, it stays clean and does not stain the fabrics that come in contact with it. These points provide forceful sales arguments which are

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Many manufacturers are discovering that the improved performance and appearance made possible by Bakelite Molded are important factors in increasing sales volume. Then, too, the use of Bakelite Molded often reduces production and assembly costs.

Whatever may be your product you may find it to your advantage to enlist the cooperation of our engineers and research laboratories in determining the possibilities of Bakelite Molded for your own work. Our Booklet No. 42, "Bakelite Molded," tells an interesting story and will be mailed on request.

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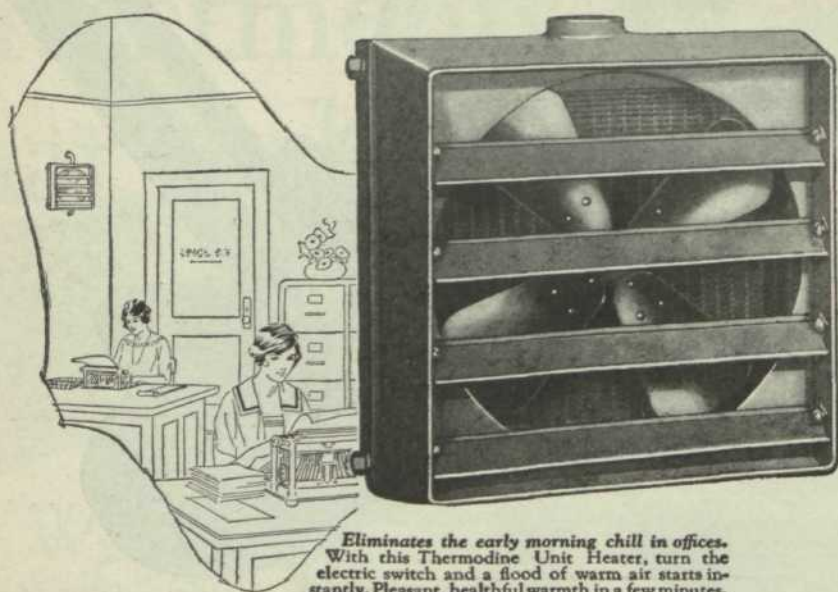


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The Thermodyne Utility Heater possesses extraordinary heating capacity—replaces 125 sq. ft. of cast iron radiation—supplies heat instantly—suspends from the steam line, up out of the way—is ideal where cast iron radiation has proved insufficient. Its quietness of operation makes it practical for homes—recreation rooms, kitchens, billiard rooms, basements. In the basement, it suspends from supply main above water line of boiler, eliminating need of pumps for returning water to the boiler.

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On opening it, I discovered that it was full of songs for the Bottle Blowers and Cappers to sing.

On a platform near the middle of the room stood the jolliest kind of conventioner, waving his arms. He put his hand to his ear in a comical fashion and said:

"Come on, now, Bottle Blowers—open up! Song No. 16 on page 43, to the tune of 'Pack Up Your Troubles in Your Old Kit Bag.' Altogether now—let's go!"

First we sang it loud and then we sang it louder. Then we sang it striking our glasses with our forks during the chorus.

So it went through the whole meal. Everybody jolly and happy, and getting up between the singing to do some good old-fashioned back slapping. By close observation, I learned the game of back slapping to be this:

You see a back that you like the shape of, and you advance and slap it. Then a face looks up, over the brow of the hill, as it were, and you say: "Beg pardon, old man, I thought you were Bailey. Smith's my name, from Kansas City. Glad to know you! . . . Why—thanks, I'd like to very much. What time? Eleven o'clock, Room 623. Fine! But just a couple, old man. I brought the wife along this trip."

After dinner, there was a little desultory dancing. It wasn't very lively, because as every one knows, the first night of a convention is pretty important. It presents a problem every married delegate must meet. For, if the wife gets it into her head that her husband is going to roll in with her, tired and happy, somewhere around ten-thirty, the convention might just as well adjourn.

Busy Business Conferences

CONTRARY to Alfred's expectations, I didn't turn out to be a problem at all. The thing of it was that I was all in favor of a little sleep. At ten-thirty, Alfred kissed me good night, with a sort of sad air, as though he were laying me away—tenderness mixed with regret, that he was forced to leave such a sweet little woman—that was the impression he gave. But I kissed him back very heartily, and asked him what time he wanted to be awakened for his conferences in the morning.

"My conferences?" he asked.

"Yes," I said, "your convention conferences. You don't want to miss any, I suppose."

"Oh no," he said, "Oh, no, no!"

"Then what time?" I asked again.

"Oh . . . ten, ten-thirty, eleven," he said.

"Why, Alfred," I said, "how nice! Don't you have any conferences at all tomorrow morning?"

"No dear," he said, "Oh, no—none tomorrow."

"Oh, I see, because you're having one tonight—is that it, dear?"

"Yes, dear—yes, that's it," he said in a strained sort of fashion. Then he kissed me again, and went out.

Well, that's how it was every night, but then his days had a lot of variety to them because sometimes he played on one of the courses and sometimes the other.

At the end of the convention, Alfred said he'd picked up a lot of good ideas, but the best was to leave me at home next time.

Officers, Directors and Members of Chambers of Commerce and Trade Associations will be interested in this subject

for The Secretary

Progressive business firms carefully train all new salesmen before sending them "out on the road." The policy of the firm, the merits of the product and the service offered are painstakingly explained. Even experienced salesmen are coached that they may more effectively present the advantages of the "line" they are to represent.

And then, for these new members of the sales force, and the "old timers" as well, there is the annual sales conference. Many firms find it profitable to coach their new dealers and equally as advantageous to hold "dealer conventions."

In some lines, many firms, acting cooperatively for their industry, stage "schools of instruction" for executives, technical men and other specialists engaged by the individual firms.

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A definite program carefully planned is presented by specialists from without the industry and by leaders from within. Attendance at all sessions is required—and readily accorded by those who seek new methods, new ideas and inspiration.

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Short-Term Schools Bring Results

The short-term Teachers' Institute serves an important purpose in the educational field. The Farmers' Institute likewise brings to agriculture, in

an intensely practical way many improved methods and encouragements that might otherwise be delayed for years in reaching him.

And so it is with business men's organizations, their Chambers of Commerce and their Trade Associations.

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National Association of Commercial Organization Secretaries.

American Trade Association Executives.

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planning to enter organization work, basic instruction in all branches of the work and unlimited opportunity to counsel with leaders of long experience in the field.

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Tuition fees and other expenses are kept at a minimum. The School is not a profit-making institution. Tuition fee is \$30.00 for the session of two weeks. Comfortable living accommodations, including meals, need not exceed \$25.00 a week.

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Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of *NATION'S BUSINESS*, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

IN SPITE of the fact that the order of injunction granted by the District of Columbia Supreme Court against the Commission in *Millers National Federation v. Federal Trade Commission* has been appealed to and is still pending before the District Court of Appeals, the Department of Justice on behalf of the Commission has asked the Supreme Court to pass upon certain questions. In this case the District Supreme Court called the Commission's demand for inspection of certain records unreasonable. The demand arose in connection with the Commission's investigation into bread which had been ordered by the Senate. During this investigation the Commission had requested the Association to produce about 450 specified letters. The case as presented in the United States Supreme Court for review involves the question whether Section 9 of the Federal Trade Commission Act, giving the Commission power to require by subpoena attendance and testimony of witnesses and the production of documentary evidence, should be construed to authorize the use of compulsory process in any investigation by the Commission under Section 6 of the Act, or whether the power to compel the production of evidence is limited by statute to cases under Section 5, relating to proceedings on complaint or charges of unfair methods of competition; and, second, whether the Act, if construed to give the Commission power to use compulsory process in all inquiries, is unconstitutional. The Department of Justice argues in its brief before the Supreme Court that the lower court erred in holding that the provisions of Section 9 of the Federal Trade Commission Act for the issuing of subpoena applies only to proceedings commenced by a complaint described in Section 5 of the Act; also, in denying the Commission's motion to dismiss the bill of complaint for want of equity.

The object of the Department of Justice is to have the legal questions involved determined by the Supreme Court as soon as possible because the Commission's proceedings in its investigation into bread have been brought to a standstill by the injunction now in course of litigation.

THE AMERICAN Export Door Corporation of Tacoma, Washington, and the Western Plywood Export Company of Se-

attle, Washington, have filed papers under the Export Trade Act (Webb-Pomerene law) with the Federal Trade Commission for the purpose of exporting.

The Door company according to its plans will export doors, other joinery products and plywood. The Plywood company plans to export veneers, plywood and plywood products.

The Export Trade Act grants exemption from the anti-trust laws to an association entered into and solely engaged in export trade, with the provision that there be no restraint of trade within the United States, or restraint of the export trade of any domestic competitor, and with the further prohibition of any agreement, understanding, conspiracy or act which shall enhance or depress prices or substantially lessen competition or otherwise restrain trade within the United States.

PROCEEDINGS before the Federal Trade Commission, or related to its activities, for the month are recorded here. The most significant items are:

Two associations file papers under Export Trade Act.

Department of Justice appeals to Supreme Court in *Millers National Federation Case*.

Trade Practice Conference of correspondence schools.

Circuit Court sustains Commission's order in *Arkansas Wholesale Grocers Association Case*.

Mercerized cotton not "Satin-silk."

Wholesale Confectioners Association must stop certain practices.

FEDERAL Trade Commission v. Armour & Company (Commission's Docket 351), pending in the 7th Circuit Court of Appeals, has been dismissed on authority of the decision of the Supreme Court on November 22, 1926, in *Swift and Company v. Federal Trade Commission* (Commission's Docket 453). The case in the 7th Circuit Court was dismissed upon agreement by the Commission to withdraw its order to cease and desist. In the *Swift* case the Supreme Court held that, "The Commission is without authority to require one who

has secured actual title and possession of physical property before proceedings were begun against it to dispose of the same, although secured through an unlawful purchase of stock. The courts must administer whatever remedy there may be in such situation," the Court said.

A TRADE Practice Conference was recently held by the Commission and those engaged in teaching various subjects by correspondence.

The conference was largely concerned with eliminating false and misleading advertising though it included other unfair methods of competition.

This industry, of comparatively recent origin, has met with rapid growth, and it has been estimated that approximately 1,500,000 new students were enrolled in private correspondence schools in the United States in the year 1924.

Some of these concerns have less than 100 new students a year, while others, whose advertising, sales and promotion budgets amount to upwards of a million dollars annually, may enroll 100,000 or more students each year, so that the matter is one in which there is a great public interest.

At the time of going to press the results of the conference were not available. How-



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ever it is felt that something fair, workable, and enforceable can be worked out.

INFORMATION from the Commission is to the effect that the United States Circuit Court of Appeals for the 8th Circuit has sustained the Commission's order in its Docket No. 1232 (*Arkansas Wholesale Grocers Association v. Federal Trade Commission*.) The Court's opinion has not yet been received in Washington. The Commission's order in this case required the association to discontinue agreements with its members to refrain from dealing with manufacturers who sell their goods direct to chain stores, cooperatives or retailers at prices less than those at which retailers can purchase them in the same territory from the members of the wholesale association. The order further required the respondents to cease cooperatively soliciting assurances from manufacturers that they would remain loyal to the association's contention that it is improper and illegitimate for manufacturers to sell to both jobbers and retailers. The association was also required by the order to stop making defamatory attacks upon manufacturers who sell direct to cooperatives and retailers.

THE FEDERAL Trade Commission has directed a company in New York City to discontinue the use of the term "Satin-silk" on spools and containers of mercerized cotton thread.

The Commission found that the company, prior to January 1, 1923, labeled one end of its spools with the words "Satin Silk, Warranted None Better," and the other end with the words "Perfect Substitute for Best Silk." On the boxes in which the thread was packed appeared the words "Reg. Trade-Mark, U. S. Pat. Off., Mercerized Cotton, None Better Made. Warranted Fast Color. . . ."

Since January 1, 1923, according to the findings, the company has branded the spools with its name and address on one end and on the other end the word "Satin-silk" with "trade-mark" beneath in small letters followed by "None Better Mercerized Cotton." On the box tops appear the words "Satin-silk, Reg. U. S. Pat. Off., None Better, Mercerized Cotton, Pure Dye Machine Twist, Made in all shades. . . ."

The word "Silk" when used to describe sewing thread, the findings say, is understood by the trade and purchasing public to mean thread made wholly of silk from the cocoon of the silk worm; and the word satin is understood to mean a fabric composed of real silk with a glossy finish.

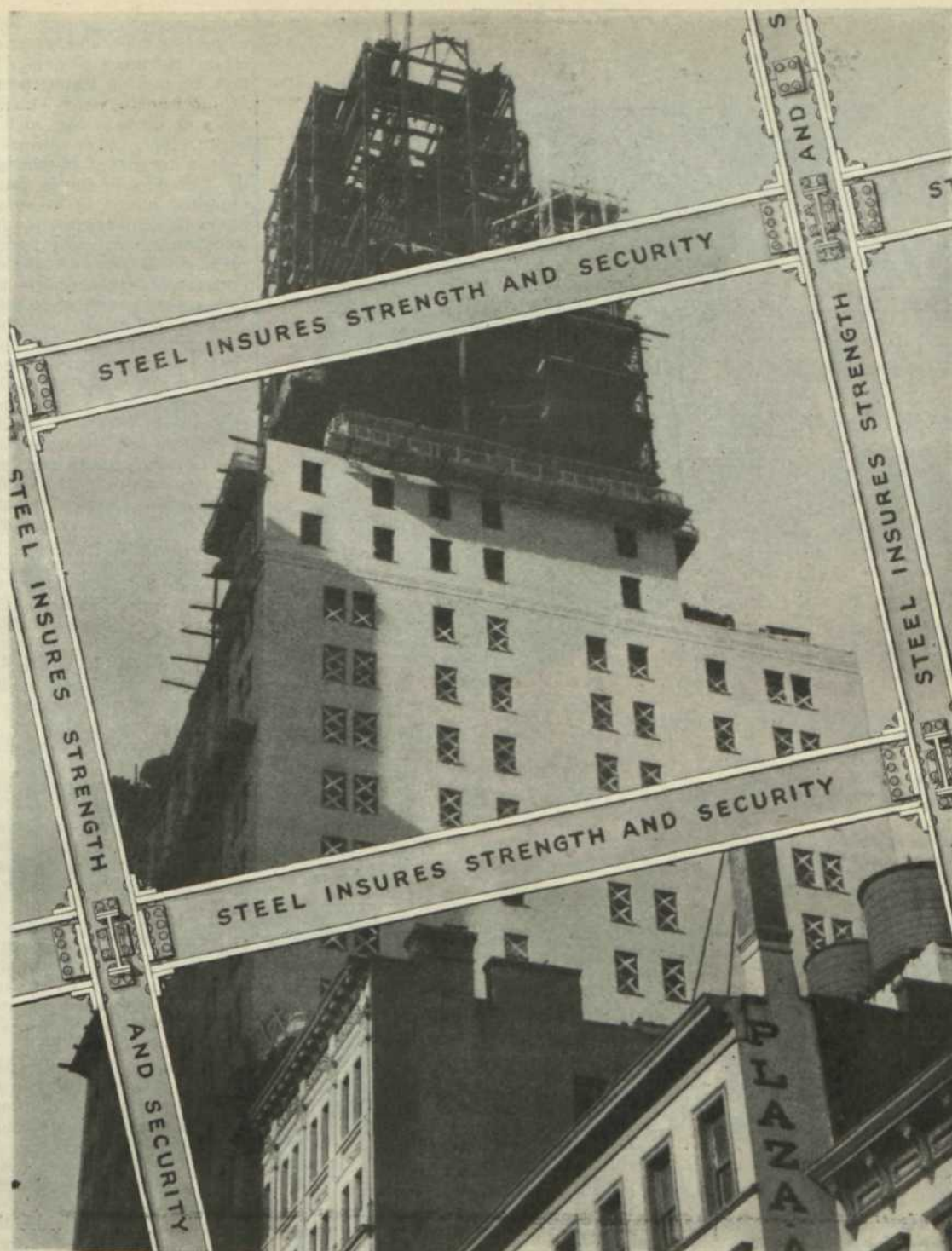
The use by the company of the word "Satin-silk" as the first and most prominent word on spools and containers of mercerized cotton thread, conclude the findings, results in deception of the purchasing public, injury to the respondent's competitors and is unfair competition.

Commissioner Humphrey dissented in the following statement to the issuance of the order:

"The name 'Satin Silk' or 'Satin-silk' in itself seems somewhat fanciful and might, to some extent, put the purchaser on inquiry. Under all the facts as presented in this case, I am not entirely satisfied that a person of reasonable intelligence, exercising reasonable care, would be deceived." (Docket 1211.)

THE COMMISSION has issued an order directing a wholesale confectioners association of a Georgia city, with two exceptions, to discontinue certain unfair methods of competition.

The Commission found that the association was organized in 1921 by jobbers dealing principally in confectionery and candy, who styled themselves as legitimate. These



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This educational advertisement is published by the American Institute of Steel Construction, a non-profit service organization of 218 members comprising the structural steel industry in the United States and Canada. Contributing also to the educational fund are these great rolling mills: Bethlehem Steel Company, Colorado Fuel and Iron Company, Inland Steel Company, Jones & Laughlin Steel Corporation, Scullin Steel Company. The purpose of the Institute is to extend the use of structural steel in construction work of every size and type from residences to skyscrapers and bridges. The Institute offers fullest cooperation with architects, engineers, the public, and all branches of the building trades. Correspondence invited. AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC., 285 Madison Avenue, New York City.

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typed, drawn, or sketched with a stylus on
a stencil—the Multistamp duplicates the
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GUARANTEED

members, with one exception, then conspired to prevent the purchase of confectionery and candy by those dealers which the association classed as illegitimate. Those classed as illegitimate were jobbers dealing principally in drugs, cigars and tobacco, and ice cream. Also chain stores.

As a means of obtaining their objective, the Commission found that the respondents cancelled orders to manufacturers who sold the so-called illegitimate; falsely represented to manufacturers and their agents that the so-called illegitimate dealers were cutting prices and demoralizing the market; and gave orders to the representative of a manufacturer to be filled only on condition that the manufacturer would refuse to sell those classed by the association as illegitimate.

The result of these practices, the Commission found, was that many of respondents' competitors have been hindered in the purchase and sale of confectionery, candy and allied products, with resultant suppression of competition.

The proceeding against one individual was dismissed for the reason that the evidence did not sustain the charges against him. Another proceeding was dismissed for the reason that the corporation was dissolved by order of the Superior Court of Fulton County, Ga. (Docket 1364.)

THE FEDERAL Trade Commission is releasing for publication from time to time statements of rulings where the practice complained of and found to be unlawful has been discontinued by stipulation and without the issuance of complaint.

Stipulation 41 provides that co-partners engaged in the manufacture, distribution, and sale of cigars discontinue the practice of using the word "Havana" as descriptive of the cigars which they sell, until the cigars are manufactured from tobacco grown on the Island of Cuba.

Stipulation 42 provides that co-partners engaged in the sale and distribution of candy discontinue the practice of using the word "Makers" since in truth and in fact they do not own, control, or operate a plant or factory for the manufacture of the candy which they sell.

Stipulation 43 provides that an individual engaged in the distribution and sale of paints, varnishes, and kindred products discontinue the use of statements and representations, "Manufacturers" and "Direct from Factory to You," since he does not own, control, or operate a mill or factory for the manufacture of the products he sells.

Stipulation 44 provides that a corporation engaged in the manufacture, distribution and sale of shawls and robes discontinue the practice of using the word "wool" as descriptive of the shawls and robes. In truth and in fact the products so branded and labeled are not composed wholly of wool but are composed in part of a material or materials other than wool.

Stipulation 45 provides that a corporation engaged in the manufacture and sale of umbrellas and umbrella parts discontinue the practice of describing certain parts as made of "Bakelite."

A SAFETY razor blade stropper manufacturer of St. Louis, Mo., has received an order from the Commission directing the company to discontinue the practice of giving retail salespeople cash rewards for selling its safety razor blade stroppers unless the salespeople have the full consent of their employers. Since January 1, 1925, the company has not given premiums without the written consent of the employer but the Commission ruled on the question, nevertheless, on January 22, 1927. (Docket 1282.)

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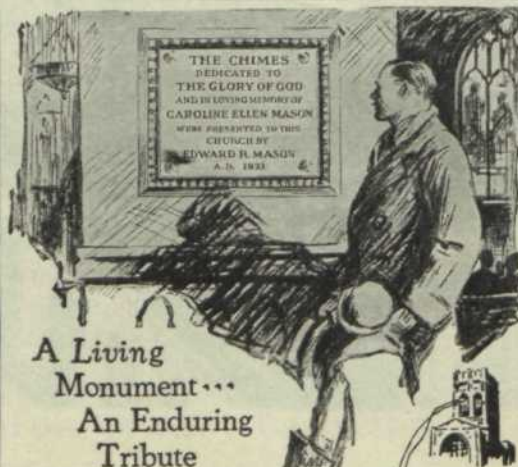
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Cuba's Position Explained

MR. MERLE THORPE,
Editor "Nation's Business,"
Washington, D. C.

DEAR SIR:

As a subscriber to your very valuable magazine, and also as a Cuban and a business man, I have read with great deal of pleasure the editorial published recently, entitled "A Friendly Call on Cuba," and in thanking you for the good wishes which you express toward my country I would like to make certain suggestions relative to the statements made in that article in regard to the commercial relations between Cuba and the United States.

Although nominally it appears that the commercial balance between both countries is in favor of Cuba, because you buy from us more than we buy from you, if account is taken of the money which the United States absorbs from Cuba in the interest we pay American banks, who finance nearly every commercial undertaking here, in interest and dividends on bonds and stocks of American concerns established in this country; in premiums on all kinds of insurance, etc., then undeniably the whole aspect changes and the balance falls in favor of your country.

Your article reads: "But if a good customer can be made a good friend, the tie is doubly strong," and precisely we are now in a position to make good these words.

Tariff Hits Friends

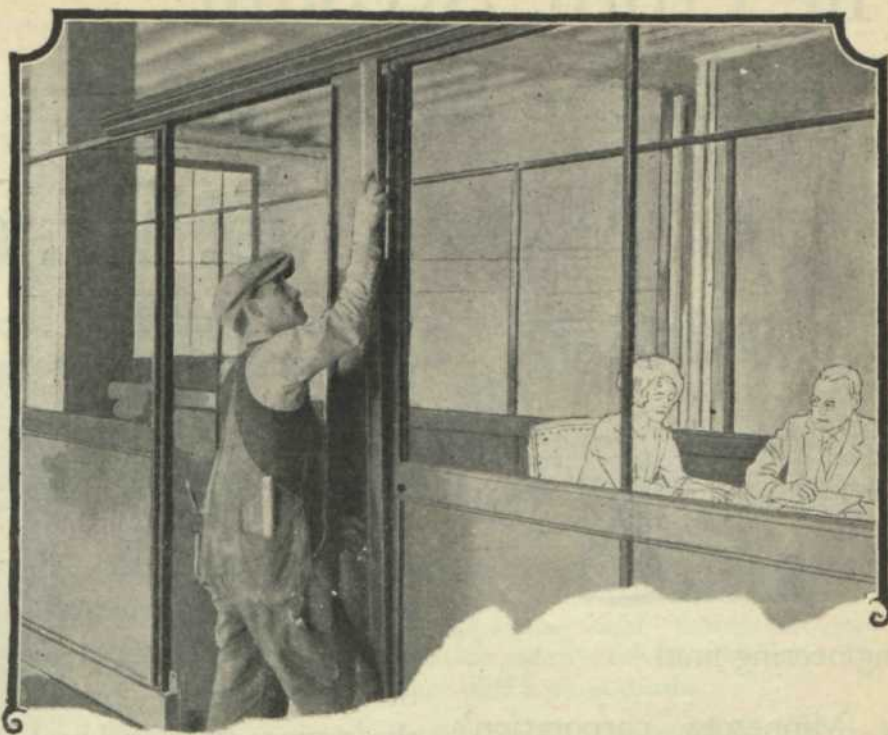
CUBA is at present passing through the most severe economic crisis that she has had to face since the foundation of the Republic, which crisis is due to the low price obtained for our principal product of exportation—sugar. One of the principal causes that has directly contributed to our sugar not securing a higher price is the high tariff imposed by the American Congress since the year 1922.

To improve our present condition and avoid economic bankruptcy, a revival of the Reciprocity Treaty that at present exists between both countries is necessary.

This revival of the present treaty was requested of the United States last spring, in a virile message, by our President, General Machado, and was supported by the American Chamber of Commerce of Cuba by resolution passed in May of that year, 1926, on the grounds that the present treaty was actually more favorable to the United States than to Cuba.

Exportations from your country to ours have diminished considerably during the last three years, owing to the fact that the low price of sugar has diminished our purchasing power, and this reduction in our importations will continue its downward tendency if we are not accorded a more favorable tariff.

This high duty was placed on our sugar on the pretext of protecting domestic production in the United States, but it has been clearly proved that the sugar industry in the United States cannot prosper nor increase under this protection and



Remove post caps. Remove bolts and take apart unit by unit.



Set base around new enclosure and bolt to floor.



Assemble units, bolt posts, slip on post caps and hang doors.

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Business must go on. And as sure as it goes on there must be changes. Offices and factory departments must be changed—easily, quickly, economically—while business goes on.

This is why Mills Metal Partitions for offices and factory departments are used by forward-looking builders. Put up, take down, move, re-arrange in a matter almost of minutes—*1, *2, *3—and the job is done!

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“If you dry bulk materials of any kind, L. D. E. offer you their expert services. Without obligation they will study your problems and submit their report with recommendations of the most efficient and most economical installation.”

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therefore it is anti-economical to the American people who are really paying a “tax” of several million dollars yearly on account of this high tariff to the exclusive benefit of certain very insignificant interests that represent but little in the gigantic development of the commerce and industry of your country, but which were able at some previous time to gain sufficient political influence to secure this advantage.

Cuba can produce all the sugar that the United States requires, even when taking into account the large increase in population which it is said that country will have in the future, at a lower price than any other country, and it is an undeniable fact that in the event of war, on account of our geographical position, we are in a better position than any of her possessions to supply her with sugar or with any other product peculiar to our soil which she might be in need of.

The revival of the Reciprocity Treaty, therefore, holds to the American people and to the American business man two advantages: one, the reduction of the price of sugar to the American consumer, the other, Cuba by this means would maintain and increase her purchasing power and consequently increase her importations of products of the soil and industry of your country.

Recently, the Automobile Chamber of Commerce of the United States passed a resolution to support the revival of the treaty and to that effect got in touch with the Cuban Ambassador in Washington, who is officially attending to the matter, and it would be very gratifying to the Cuban people and to Cuban business interests, if the Chamber of Commerce of the United States, as a result of the visit of their directors to Cuba and of the study they made of the commercial necessities of both countries, would also support this revival of the tariff.

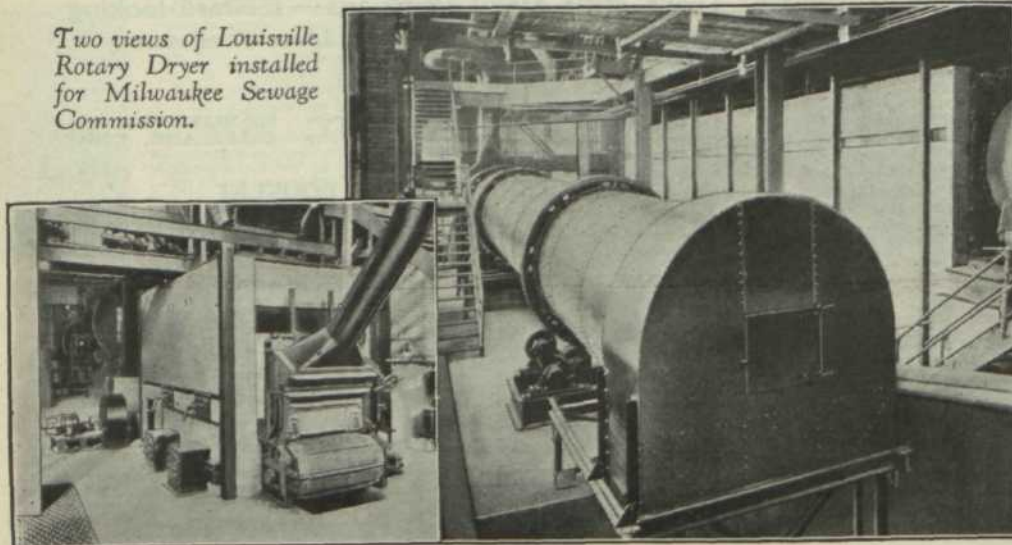
Our Biggest Little Customer

THE fact that Cuba is the country which, in proportion to the number of its inhabitants, is the heaviest consumer of American products, the volume of our business with the United States being surpassed only by three big nations—England, Canada and Japan—entitles us to receive from the United States such a tariff as would allow us to develop normally our economic activities.

If this is not done, the Cuban people can then say that “The Dollar Diplomacy,” so clearly explained some time ago by the then Secretary of State Mr. Knox, and which really consists in the economic conquest of small nations as a means of destroying their political independence, is being applied to Cuba. If this present state of affairs continues, our bankruptcy is inevitable, and the little remaining in the possession of Cubans will pass to foreign hands at an insignificant cost.

But the Cuban people have full confidence in the spirit of justice and equity which has always guided the actions of the American people and the American business man and trust that they will not allow themselves to be led away by the unwholesome influence of professional politi-

Two views of Louisville Rotary Dryer installed for Milwaukee Sewage Commission.



When writing to LOUISVILLE DRYING MACHINERY COMPANY please mention Nation's Business

Little dramas in the life of a great newspaper system

The stage was all set . . . and then came the upset!



PAINTED BY
DEAN CORNWELL

In a midwestern city, the stage was all set to jam through a "loaded" franchise over the veto of an honest mayor.

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The townspeople were advised by the paper to go to the Council Hall *en masse* and protest the impending steal. Several thousand gathered—an orderly crowd but ominous. The ordinance died a silent death.

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Public Trust is the product of Public Service. That is the reason SCRIPPS-HOWARD Newspapers hold the faith and support of more than two and a quarter million families in 25 cities.

Owned from within by their editors, writers and publishers, and free of all outside affiliations with party, class or capital, SCRIPPS-HOWARD Newspapers are dedicated to fearless public service. It is a natural consequence that their columns have amazing virility, amazing reader respect and responsiveness.

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BALTIMORE . . . *Post* CINCINNATI . . . *Post* TOLEDO . . . *News-Bee*
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With a background of over sixty years' participation in the development of the West, this Bank, at each of its offices, provides complete commercial banking facilities for individuals, firms, corporations, banks and bankers interested in local or nation-wide enterprises.

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cians whose only aim is the accomplishment of their own ends and who do not care what means they adopt in order to accomplish their purpose. We, therefore, trust that the American people, and the American business man, will make good the words of McKinley in 1899, and of the great Roosevelt in 1902, to the effect that the commercial relations between both countries should be close and reciprocal.

Through the medium of your magazine, which is the official organ of the Chamber of Commerce of the United States, I wish this message, which faithfully interprets the feelings of the Cuban people and of the Cuban business man, to reach all the members of that institution.

Thanking you, Mr. Editor, I remain,

Yours very truly,

ANGEL GARRI,

President of the Chamber of Commerce of Santiago, Cuba.

Old Vigo's Bell Still Rings

By I. K. RUSSELL

DOWN IN the Wabash Valley is a bell whose tones blend with the music of birds. It is a storied bell.

It's a story for all who want Uncle Sam to rush in and make America the kind of a country Europe is—a condition from which America emerged through its Revolutionary War. If all believers in government ownership of industry could hear this old bell's story, they'd lose their blind, unreasoning faith in that fallacy.

To the story. The Wabash Valley bell exists because of a provision in an adopted American's will. Before America could claim title to this Wabash country, Americans had to fight for it. But in those days, many besides native Americans saw the need for the young republic to win. They were men overhauled by government and overtired of government restrictions on individual life.

Sweetness of "Liberty"

LAFAYETTE was such a Frenchman. His countrymen said of his mad adventure as a soldier of fortune under Washington that he was so obsessed with that sweet word "liberty" that he would have gone to Hades and back any time, just for sheer love of fighting for it. The man who bequeathed this old bell to the Wabash Valley was another Lafayette—the Lafayette of the Wabash, and of the five fine American states now lying north of it.

The donor of the Wabash bell had done business with the government—and the government paid—after nearly 100 years. To be sure, the man who had transacted the business with the government died a pauper and was wheeled in a little hand cart to a pauper's grave at Old Vincennes.

In his age and poverty, nearly fifty years after he had presented his bills for service rendered to the government, he would assure those who cared for him that they would some day receive their pay. They



The Greatest Word in Business

"Because I believe in that man," said a great financier, "I'll lend him a million dollars on his word."

"Because I'm confident that you treat us fairly and that your equipment will do what you say, this order is being placed without competitive bids." This statement, in almost identical words, was made by leaders in two industries. Their orders to us, received within forty-eight hours, totaled over \$200,000.

This represents *confidence*. There is no greater word in business.

We enjoy the confidence of leaders in many substantial industries. They know, from experience, that Bartlett-Snow Engineering Skill and Manufacturing Experience produce equipment that reduces production costs. They know, too, that when we design and build a system for conveying or elevating material, it will do what we promise. Such confidence can come only thru performance that equals promises and exceeds guarantees.

THE C. O. BARTLETT & SNOW Co.
6500 Harvard Avenue, Cleveland, Ohio

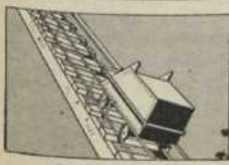
Fuel Handling Equipment, built
for Atlantic City Gas Company.



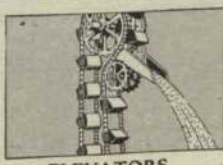
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Elevating, Conveying,
Processing Machinery.

40 Years of Service to Industry



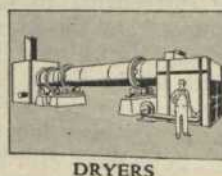
SKIP HOISTS



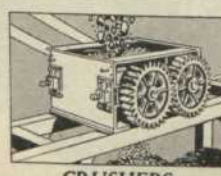
ELEVATORS



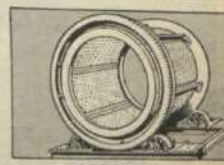
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DRYERS



CRUSHERS



SCREENS

When writing to THE C. O. BARTLETT & SNOW Co. please mention Nation's Business



Let SPRAY-PAINTING Lower Your Maintenance Costs!

Now, reduced costs enable you to paint-up oftener. Spray-painting will do a better job in less time, at a nominal cost.

Owners of business property own their own Binks Portable Spray-Painting Outfits. With our easy-to-follow directions, your own handy man can do the job. Spray-painting will cover any kind of surface and the Binks Spray Gun will handle any kind of paint.

If your painting requirements do not justify the investment in an outfit, write us for the name of a Binks Spray-Painting contractor. Or write us for details, prices, and any information you may wish. Address our Engineering Department.

BINKS

SPRAY EQUIPMENT CO.

Dept. F, 3128 Carroll Avenue
Chicago, Ill.

Offices in Principal Cities



Save 60% to 80% of Your Painting Bills

thought the old man harmlessly insane. And so he died.

As no one would listen to him, he mentioned those bills Uncle Sam owed him once again, in his will. His will provided that if ever Uncle Sam paid, part of the money should go to buy a bell to ring out the glad tidings.

You can hear the bell now if you visit Terre Haute. The bell summons us to a consideration of the ways of business and why America's industrial prowess is the marvel of the world.

Francisco Vigo was a Spaniard who served in a Spanish regiment in Cuba. His enlistment expiring, he took up Indian trading on the Mississippi, and the British rulers at Vincennes levied on most of his earnings in fees, taxes, assessments, licenses.

He saw the British go into the "hair-raising business," for Sir Henry Hamilton was offering the Indians a bounty on each American scalp they brought him. It was in the grisly days of the Revolution and the scalps mostly were those of men, women and children settlers on the Virginia frontier.

A Ragged Expectation

ALL THIS warmed Vigo's heart towards "Zhorzh Vasington" and his revolutionary war. One day came his chance to help. To his Indian trading post at Kaskaskia came a number of ragged, starving American troops. They had come out from Virginia to put a stop to this "hair-raising" bounty business. George Rogers Clark was their leader. Their march down the Ohio had been long. Their moccasins were worn out, their bullets were all gone, their food all eaten.

Vigo backed the sentiments of his heart with his purse and bought bullets at New Orleans, powder, food and leather. These supplies he brought to Kaskaskia while the tired Americans rested. Meanwhile he scouted Vincennes and Sir Henry Hamilton's fortification for them. He was captured and the British were going to kill him as a spy. But the Vincennes Creoles knew him. They came to the fort and Father Gibault, their leader, asked for Vigo, their friend. Hamilton relented and released the spy, extorting a promise that he would not visit the American camp but would go to St. Louis. Vigo went to St. Louis and then back again to George Rogers Clark.

And he gave Clark the lay of the land. And with \$16,000 worth of Vigo's clothes, food and munitions Clark started on his march of conquest. He had less than 200 men and the season was one of spring floods. Breasting the flood waters, Clark and his men waded through to Vincennes, and utterly surprised Hamilton, "the hair buyer."

Maybe Hamilton's conscience troubled him, for "hair buying" wasn't so highly esteemed even in those days. At all events, he surrendered to Clark and his "Long Knives," and the stars and stripes went up at the British post holding all territory south of the Great Lakes. But Vigo was left "holding the bag" with formal orders on the Treasury for about \$16,000. What was to be done with these "orders"?

Vigo could have had any defaulting firm



When
You Come to
Atlanta

you will find in the Atlanta Biltmore one of the world's truly great hotels. Some of our guests who are much-travelled have declared that it is the "finest hotel in the nation." Located in a four acre park, free from city noises, immediately accessible to theatrical, business and shopping districts.

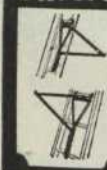
A Bowman Biltmore Institution
"Where Southern Hospitality Flowers"

Rates from \$3.50

ATLANTA BILTMORE
"The South's Supreme Hotel"

Jno. McEntee Bowman, Pres. Wm. Candler, Vice-Pres.
H. B. Judkins, Manager W. C. Royer, Asso. Mgr.

Everlasting Money Trouble Savers



Trouble Saver

LadderJacks turn two ladders into a full-fledged scaffolding. Quickly moved up and down the ladder and can be locked either over or under the ladder. Rest on THREE rungs.



For inside or outside painting, wiring, overhead shafting, and other general maintenance jobs demanding work at various heights use TROUBLE SAVER Adjustable Steel Trestles.

They take the place of several sizes of wooden "horses" and often save the erection of low scaffolding. Quickly erected and adjusted to the height desired; frequently pay for themselves in time and labor savings the first time used. Will support a ton weight. Last a lifetime.

30-Day Trial Offer—Write for Details
THE STEEL SCAFFOLDING CO.
1117 Governor St., Evansville, Indiana

Take off that excess FAT!

Without dieting, or drugs, or exercise, you can take off pounds of fat, reducing abdomen 4 to 6 inches in a few weeks.

MIZPAH REDUCER

shows results almost immediately, and relieves that tired feeling generally—excess fat is burdensome and wears down the whole system.

Made of best quality Para rubber and Egyptian thread especially woven for this purpose; can be boiled to cleanse without injury to the rubber.

No lacing, no fussing; simply step into the Mizpah, pull it into place where it stays, without rolling or slipping, conforming to every movement of body.

Made and guaranteed by one of the largest, oldest and best-known makers of surgical belts.

TWO WEEKS' TRIAL. Mailed on receipt of price, \$5.00.
The Walter F. Ware Co., Philadelphia, Pa.
Makers of No. 44 Mizpah Jock.

The Walter F. Ware Co., 1034 Spring St., Phila., Pa.
Enclosed \$5 (Bank Draft, P. O. or Express Money Order). Please send Mizpah Reducer, money to be returned if not satisfied.

Size—Measure around the body at "A." _____

Name _____

St. and No. _____

City and State _____

Dept. 106

giving such orders put into bankruptcy, but when Government was the debtor he had to whistle till the Government got ready to pay.

Vigo got into his canoe and went to New Orleans, to Oliver Pollock, a Treasury agent of Virginia. He just laughed at Clark's orders to pay.

"No funds here—I'll forward them to headquarters."

And so they went. Vigo waited—he waited a year. He sent messages to Virginia. He waited two years. He went to Virginia. No trace of his vouchers could be found. Everyone jeered at him and his bills. They intimated he was a fraud.

Adventure of a Claim

HE WAITED twenty-five years. Then the paper was found—the formal Treasury order by a commissioned commander of a Virginia army. It was found up in the Capitol cupola along with a batch of scrap paper. But now the red tapers took it in hand again. Clark and the Wabash Valley. Oh, yes. That country had been ceded to Uncle Sam and was now being parcelled into the States of Indiana, Michigan, Ohio, Illinois and Wisconsin. Virginia had ceded the lands—all claims must go with them.

And so Vigo's claim was sent along to Washington—just an old scrap of paper. And the "red tapers" buried it in a pigeon hole. Vigo followed, protesting and claiming. Once in a while the Senate would pass a bill appropriating the money, then the House would vote it down. And again the House would pass a bill and the Senate would vote it down.

Committees of each branch of Congress would admit its validity but postpone action for lack of funds or some other reason. Finally Vigo came to the feebleness of old age. He had been ruined by this support of Clark—his working capital was gone.

And when he talked of his claims, people smiled.

He always spoke of his claim as being for so many "dollars" but he pronounced it "doleur." That was the French word for grief or pain and "Vigo's doleurs" became the toast of Old Vincennes.

Folk moved into the war land grants north of Vincennes and organized a county. They gave Old Vigo his first public honor, for they put him at the head of their parade and named their county for him—Vigo County with Terre Haute the county seat.

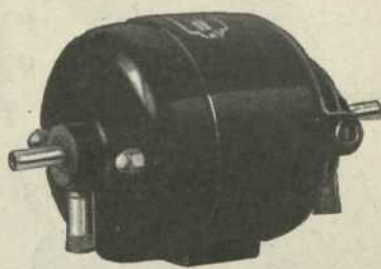
"I'll tell you what I'll do for you," he said as he started home from his hour of honor. "I'll leave a will giving enough money to you to buy a court house bell if Uncle Sam ever honors my Treasury notes. Terre Haute pioneers laughed. They expected no money—but they kept the will.

Vigo was wheeled to his pauper's grave in 1836 and then in 1875 Uncle Sam woke up and took the Vigo claim away from his "red tapers" and bureaucrats. He paid it—with interest.

And Terre Haute still had the will. And got the money and bought the bell and built a court house to hang it in. There it stands, ringing out the glad tidings that Uncle Sam will pay—if you give him time.

This, of course, isn't typical of government in business, but red tape is just as strangling now as then.

Send for this Motor and Make this Test



ANY manufacturer of electrically driven devices who can reduce or eliminate vibration in his product has a distinct sales advantage. Vibration causes noise, bearing trouble, arcing, and shortens the life of the product.

Vibration is due to unbalanced weight in the motor armature. In Dumore motors this antagonizing weight is located and removed *from the point at which it exists* through the use of a specially designed machine. Consequently all Dumore motors are in dynamic or running balance.

The process of dynamic balancing as practiced in our shop, gives Dumore motors essential qualities possessed by no other universal motor. They run smoothly, quietly, and without perceptible vibration. The bearings stand up.

These are facts that can best be demonstrated to you in an out and out comparison. We want you to *see* and *feel* the difference between a Dumore motor and any other universal motor, (regardless of make.)

If you will fill in the coupon below we will send you a stripped stock motor, on memo charge. When the motor arrives lay it on a level surface beside the motor you are now using, (stripped,) run them both at working speed, and, remembering the harmful effects of vibration, draw your own conclusions.

Wisconsin Electric Company

89 Sixteenth Street, Racine, Wisconsin

Dynamically
Balanced

DUMORE

TRADE MARK—REG. U. S. PAT. OFF.

Universal
Motors

This coupon was designed for your convenience. Fill it in and enclose with it, descriptive matter of the device in which you are using universal motors.

Wisconsin Electric Co.,
Racine, Wis.—Dept. 89

Please send me a stripped Dumore motor on memo charge

Name.....

Title.....

Firm.....

Address.....

When you BILL

"What's she doing — billing?"
"More'n that—doing seven im-
portant things."

That is one reason why billing is a key operation in business—in any business. It includes instructions—by exact carbon duplicate—to all parties concerned.

The method of designing that set of forms—the number in the set, call for cooperation between those who know your business needs and those who have studied the billing practices of all businesses.

Billing is a KEY operation.
Protect it! Efficiently!



Rediform

CARBON COPY RECORDS FOR THE KEY OPERATIONS OF BUSINESS

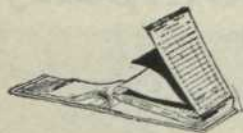
for Buying ~ Receiving ~ Stockkeeping
Production ~ Selling ~ Shipping ~ Billing
with Rediform Sales and Manifold Books
"Wiz" Autographic Registers ~ Continuous
Interfolded or Continuous Interleaved

Key operation control of business by carbon copy records. Your key operations—from buying to billing—furnish the lifeblood and muscle of your business. The nervous system that controls them consists of the carbon-copy forms and records that speed the message from one operation to another.

Whatever the business, the principle is the same. Retail, wholesale, or manufacturing, your business has some or all of these key operations. Whether you need sales books, registers or continuous forms, the principle is the same.

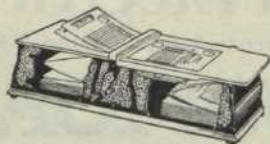
But time and money are saved by selecting the right type of product and designing forms to minimize separate writings.

Those who originated the method can best advise the application. From the invention of the first sales book to modern Rediforms, the history of this company is the history of almost all patented improvements in carbon copy forms and devices. Our representatives can help you select the latest and most improved product and design your forms by the best practice in your type of business.



Rediform Sales Books and Manifold Books

Every type for every purpose—with all the latest improvements, and a service in design that makes any type more efficient.



Rediform "WIZ" Autographic Registers

Note that sides are cut away to show the convenient, easily audited Flatpakit forms, and locked compartment for audit copy.



Rediform Continuous Interfolded and Interleaved

Permit variation in color, weight and quality of different sheets. Rediform Interleaved is interleaved with carbon paper throughout.

For further information, fill out coupon below and mail it to

AMERICAN SALES BOOK COMPANY, LIMITED, ELMIRA, N. Y.
Factories: Elmira, N. Y., Niagara Falls, N. Y.
Sales and Service Offices in Principal Cities

Have your representative call to discuss application of Rediforms to key operations of my business.

Name _____
Business _____
Position _____
Address _____

On the Business Bookshelf

The Distribution Age, by Ralph Borsodi, with an introduction by Lew Hahn. D. Appleton & Company, New York, 1927. \$3.00.

Every one is familiar with the man who declined to drink water as a beverage, assigning as the reason the fact that he had "seen that stuff eat through an iron pipe."

This is very much like Mr. Borsodi's view of national advertising, and his book is largely given over to a discussion of numerous instances in which this terrible corroding influence has done violence to the public interest.

After discussing the rise in the cost of various elements in distribution of merchandise (all of which is due to the two or three things like national advertising which Mr. Borsodi hates), he devotes the second part of his book to what he calls "marketing à la mode." In this part he applies the term "high pressure" successively to marketing, distribution, wholesaling, retailing, selling, advertising, credit, and capitalization, and when he has finished, there is relatively little to be said in favor of any feature of the present mechanism for getting goods from the hands of their makers to the hands of the poor, long-suffering people who must use them. And the costs of the processes, or of the successive processes, are truly dreadful. The Government—in the form of a joint commission—says so.

The third part of the book is devoted to a solution of the problem. This consists mainly of eliminating all national advertising and leaving the consumer to his own knowledge of what he must buy, supplemented by the persuasion of the retailer to whom he turns at the time of purchase.

Here is what Mr. Borsodi says of the disinterestedness of the advice which the consumer can expect to get from retailers, to whom Mr. Hahn, in the introduction, refers as the consumer's purchasing agent:

The retailer is equipped to do this more economically than is the producer. He has, first of all, direct contact with the consumer. He or his clerks can talk with the customer face to face. He can display the merchandise in his show windows and show cases and demonstrate them in his store and actually permit the consumer to examine the goods. He can advertise and display and sell new products as an incident to the performance of his economic function of supplying the consumers with the staple and established products they desire and already buy. The producer cannot possibly create desire with equal effectiveness. The methods which are open to him all involve costly substitutes for the direct contact which the retailer has with the consumer.

Only in exceptional cases is a manufacturer therefore justified in utilizing high pressure methods in order to create a demand for his products. In the overwhelming majority of cases, it is in the interest of consumers, distributors, and manufacturers that the creation of demand should be the work of the retailers and not of the manufacturers of the country.

There are many very fine and helpful retailers. But when did they corner all the

STRONG

because



Think of Stainless Steel in terms of **STRENGTH** as well as in terms of Corrosion Resistance and Permanent Polish.

Stainless Steel is always *stronger* than ordinary steel and—depending upon its treatment—can be made 4 times stronger.

Think what the great *strength* of Stainless Steel means to you where weight or bulk of a product must be kept to the minimum.

Use "Stainless Steel" where *strength* is needed and you will obtain not only *strength*, but in addition, its other valuable properties.

"STAINLESS IN INDUSTRY"

Is a booklet that explains many of the valuable physical properties of genuine Stainless Steel. We will gladly send it to you on request.


STAINLESS STEEL

Genuine Stainless Steel is manufactured only under the patents of the

AMERICAN STAINLESS STEEL COMPANY
COMMONWEALTH BUILDING, PITTSBURGH, PA.

METAL PRINT CRAFT

- made by *Grammes*



30,000 Motorists will display this Enameled Radiator Emblem.

METAL Print Craftsmen are producing Etched; Stamped; Lithographed; Embossed; Printed; Cast; Engraved; and Enameled Products in a large variety of metals and finishes -- known for satisfying service.



L.F. Grammes & Sons
INCORPORATED
Allentown, Pa.
NEW YORK PHILADELPHIA CHICAGO

New Days and New Ways Are Upon Us

There has been more real change in business methods, business problems and business opportunities since the Armistice than during the twenty-five years that went before it.

Business leaders from every section of the country considered this New Business Era at the recent Fifteenth Annual Meeting of the United States Chamber of Commerce.

An accurate, vivid story of this meeting and its discussions is contained in the *Extra Edition* of NATION'S BUSINESS, just published. NATION'S BUSINESS subscribers receive the *Extra Edition* free.

Additional copies may be ordered at 10 cents each

We will address and mail the copies you order at no extra charge. **Order now**

NATION'S BUSINESS, Washington, D. C.

When writing to L. F. GRAMMES & SONS, INCORPORATED, please mention Nation's Business

virtues in the field of merchandise distribution?

The fourth section of the book is devoted mainly to a discussion of the consumer and his place in the problems of modern selling. The case, in a paragraph, is that,

The theory which underlies our most conspicuous present-day method of converting desire into immediate demand might be called the theory of the need of persuasion by the manufacturer. This is the theory that has resulted in the development of national advertising and all those uneconomic methods of distribution which I have called high-pressure marketing. If we substitute, for the extravagances of persuasion by producers, the economies of supplying and catering to natural demand by retailers, if we operate on the theory of the normal creation of demand by distributors, one cause of the rise in the cost of distribution would be eliminated.

Mr. Borsodi attributes to the final consumer a degree of plasticity which is not common.

Any mere layman hesitates in these days to talk about individuality; but Mr. Borsodi must know that we are now supposed to be persuaded that there is no such thing. All that old-fashioned rubbish about personality is merely childish rigmorale. What we really are is a meager handful of guttural and visceral habits—most of them discreditable but all unavoidable—and we are on our heedless way to become what our shaping environment is to make of us. The short but proud Sealyhams or the quivering Whippets among us are all to be about alike when circumstances have had their work with us and our endocrines and larynges are properly grooved in habit.

Nevertheless, there still is a disconcerting variety in the size and shape and activity of thyroids and pituitaries; and for this, or some other weird reason, we insist on regarding our little preferences as important. We get a fine imitation of pleasure out of exercising our choices, and we have neither the intellect nor the energy to do it on purely logical grounds. We like to get outside confirmation of the rightness of our benighted yearnings.

And so, in these days of mass production, when we must buy even the food we eat and the clothes we wear, we can have little real, first-hand knowledge of qualities, and less real basis for our important whims of preference. Somebody must tell us what is a good buy—and who is to do it?

It seems to Mr. Borsodi that the way out is to buy on specification. He says that the Bureau of Standards has developed over 11,000 of these and that about 27,000 are available, covering nearly everything one could need, Mr. Borsodi even quotes two for us, which he, quoting Mr. Schlink, calls "two simple government specifications covering foodstuffs."

A man, rushing for a train, who wants a pure and palatable substitute for the luncheon he has missed, should not ask the news vender for a bar of Peter's chocolate. That would impair the independence of the retailer and make a craven slave of the consumer himself. No sir. To save his freedom he should ask the retailer for this:

Chocolate—best quality unsweetened: to contain not more than 3 per cent of ash insoluble in water, 3.5 per cent of crude fiber,

LOUISVILLE

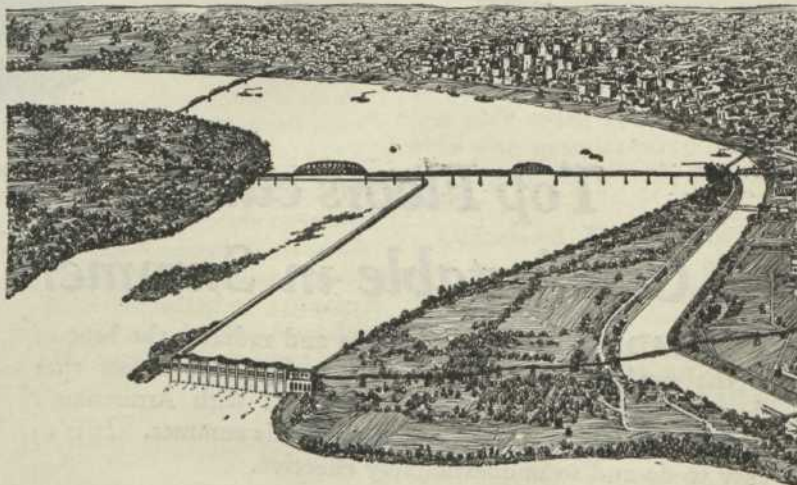
Premier Industrial Location of America

Increases Population 35%

Within a few years 85,000 people came to Louisville as a result of industrial expansion; 171 new factories started operation, making a total of 812 industries producing 350 million dollars of goods annually. Louisville's strategic location near the center of population of the United States and at the gateway to the growing markets of the South, with the transportation advantages of 9 railroads and the Ohio River, make this development easy to understand.

Louisville's industries are prosperous. Many long-established enterprises have greatly increased in size. Labor conditions are remarkably good, banking facilities adequate, and it is declared that approximately two hundred million dollars of local capital is available for immediate investment.

Soon to be added to a multitude of Louisville's natural advantages is a large amount of very low-priced hydro-electric industrial power.



Great New Hydro-Electric Plant Now Under Construction

One of the nation's great hydro-power plants will be completed in 1928 at the door of Louisville. At a cost of ten million dollars the Federal Government and the Louisville Gas and Electric Company are co-operating in a combined navigation and power project. This is an important step in deepening the channel of the Ohio River to 9 feet from Pittsburgh to Cairo. The tremendous volume of water in the Ohio at Louisville will develop 135,000 horsepower.

Louisville is a well-built, modern city with beautiful parks, playgrounds, boulevards and residence sections. The great majority of its citizens own their homes. Educational, religious, cultural and recreational institutions are splendidly equipped. Its kindly traditions, engaging climate and beautiful environment are known to the world in story and song.

The progressive business men of Louisville are largely responsible for the city's present industrial status and prosperity. To supply accurate information on industrial and commercial subjects and to assist in the development of new and established industries, the Louisville Industrial Foundation, a non-profit organization, with adequate capital, has been maintained for ten years.

Write for Booklet for Full Information

A new illustrated booklet describing Louisville, and complete information on specific subjects will be sent by this organization on request. All inquiries treated with strict confidence.

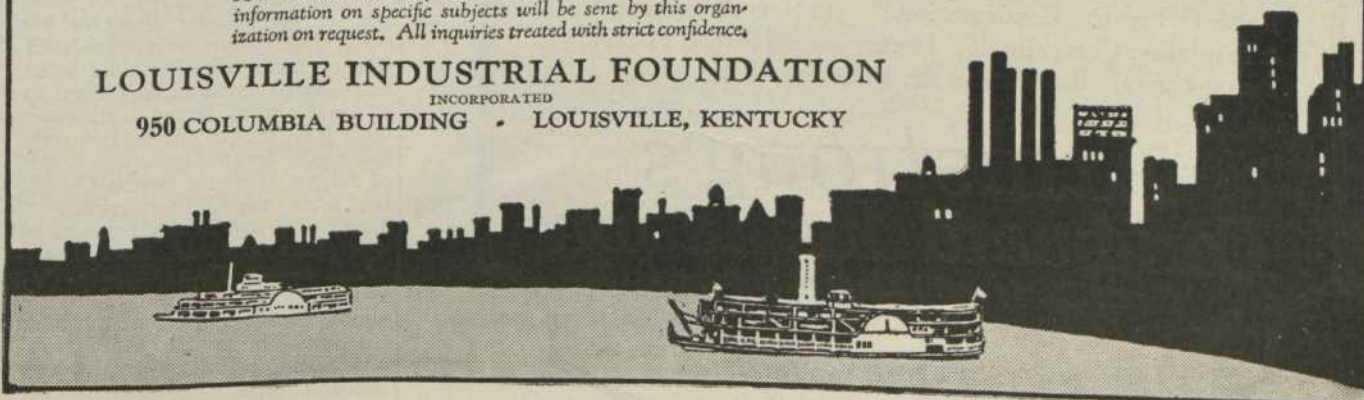
LOUISVILLE INDUSTRIAL FOUNDATION

INCORPORATED

950 COLUMBIA BUILDING • LOUISVILLE, KENTUCKY

Why Power Rates are Unusually Low

The nature of the Ohio Falls development requires the electrical energy generated to be employed for industrial uses, and enables exceptionally low rates to industries requiring large quantities of power under specified conditions.



Every Roof Needs Insulation



Insulating the roof of the Court House, Wyandotte County, Kansas, with 24,000 square feet of Armstrong's Corkboard

Top Floors can be Comfortable in Summer

INSTEAD of a roof that conducts and radiates the heat of the sun into the rooms below, make yours a roof that shuts out this heat. Insulate your roof with Armstrong's Corkboard and keep the top floor cool this summer. It is so easy to do and so unquestionably effective.

Armstrong's Corkboard is laid on top of the deck, or over the old roofing, and the new roofing is laid on the cork. You have a roof, then, that is *really insulated*, that shuts out more than two-thirds of the heat the ordinary roof lets right through. It makes a difference of many degrees in top floor temperatures and helps materially to maintain comfort and efficiency at cool-weather standards.

In winter when the heat flow is the other way, Armstrong's Corkboard roof insulation holds the heat inside the building. It shuts off a loss that in fuel saving alone soon repays the cost of insulation.

Two Booklets Free

Complete information about the insulation of all kinds of roofs is contained in these two books. Write for "The Insulation of Roofs with Armstrong's Corkboard," or "The Insulation of Roofs to Prevent Condensation." Address Armstrong Cork & Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pennsylvania. Branches in the Principal Cities.

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

9 per cent of cocoa starch, and not less than 45 per cent of cocoa fat per pound.

Similarly an enlightened housewife would not send her child to the grocery to buy a package of Royal Fruit Flavor Gelatin. That, too is a boot-licking subservience to an arrogant manufacturer's unsubstantiated dictates. Her instructions to little Willie would, in Mr. Borsodi's well regulated state of affairs, be about like this:

Tell the grocer to send me:—Gelatin—granulated in packages: must not contain bacteria in excess of 50,000 per gram, arsenic in excess of 1.4 parts per million, copper in excess of 30 parts per million, and zinc in excess of 100 parts per million.

Mr. Hahn says the retail store is our purchasing agent and Mr. Borsodi says he is the only proper person to help us out. But we are smart enough to know that the retailer is in business for profit; and we suspect his advice in matters of selective choice for that very reason. He may make more money out of one brand than another. Would this color his advice?

So far, the only person with absolutely unmixed motives who has been trying to nudge us with a buying tip is the man who made the goods. We know he wants us to buy his goods and no other. We know what he tells us of his reasons for our doing it, and he puts his brand on the goods so that we need never buy them again if we don't want to. We know he is out for a profit and that his biggest profit will come from repeated sales of his own product. We compare his offerings and his reasons with those of his competitors, and we choose. We may make a mistake, but it is ours; and we need never be caught by the same rogue twice.—Paul T. Cherington.

Tips for Traveling Salesmen, by Herbert N. Casson. B. C. Forbes Publishing Co., New York, 1927. \$2.

Now the troublesome traveling salesman has come in for a special study! And it's written in large type and limp-bound pocket-size book for the salesman himself.

Those who entertain salesmen will appreciate some of the advice Mr. Casson gives the traveling salesman: "Most travelers fancy they are paid to talk. They are not. They are paid to sell—quite a different thing."

Despite his few innovations, his description of a salesman is quite orthodox: "The salesman enters uninvited. He tries to see a busy man with whom he has no appointment. He is always butting in—forcing himself and his goods upon the attention of people who are thinking of something else."

Saying that a man is much more prone to talk of his hobbies than his business, he advises salesmen to approach with the subject of hobbies rather than selling. Some traveling salesmen, he says, even go so far as to keep a card list of their customers and their fads, beliefs, sports, and such. One of the cards, for instance, might read: "Fond of fishing. Owns a Scotch Collie. Goes to the horse races." Or another: "Keeps a Jersey cow and White Leghorn hens. Has won prizes for hens." Such is salesmanship!

The author claims that the three hours, twelve to one and two to four "are worth almost double as much as the other hours of the day. The peak of the day, in value—in possibilities of selling—is the hour between two and three."

It seems easier to sell the customer when "his subconscious brain is giving its atten-

tion to his stomach, not to his cerebrum. He is digesting rather than thinking."

One more quotation before you read the book yourself. Speaking of the worries that weigh down the traveler, "If I were the wife of a traveler, I would write him a joyous letter every week—always to reach him on a Thursday, when he is beginning to feel the weight of his job. It would put his sales up 10 per cent. Few wives think of that."

The American Year Book. The Macmillan Company, New York, 1926. \$7.50.

Edited by Albert Bushnell Hart and William M. Schuyler, the new edition of this annual provides a compact, indexed record of events and progress during the year 1926. In the review of the world of business are included chapters on business conditions, the organization and public control of business, banking and currency, insurance, agriculture and allied industries, mineral industries, manufactures, and transportation and communication.

Cooperative Advertising by Competitors, by Hugh E. Agnew. Harper and Brothers, New York, 1926.

In these days when the public must be "educated" to everything, it has been found more satisfactory for the individual advertisers to cooperate in their educational work and advertise individually only their own selling copy. Mr. Agnew discusses the various problems of cooperative advertising with many references to the campaigns that have been successful and some that have not with the reasons for their failures.

Some thirty-five pages are devoted to the subject of community advertising, which at the present time is stirring up much interest.

RECENT BOOKS RECEIVED

Bureau of Animal Industry, by Fred Wilbur Powell. The Johns Hopkins Press, Baltimore, Md., 1927. \$1.50.

Business in Politics, by Charles Norman Fay. The Cosmos Press, Inc., Cambridge, Mass., 1926.

Business Without a Buyer, by William Trufant Foster and Waddill Catchings. Houghton Mifflin Company, New York, 1927. \$2.

Does Prohibition Work? By Martha Bensley Bruère. Harper & Brothers, New York, 1927. \$1.50.

Foremanship Training, by Hugo Diemer. McGraw-Hill Book Company, New York, 1927. \$2.50.

The Medical Department of the Army, by James A. Tobey. The Johns Hopkins Press, Baltimore, Md., 1927. \$1.50.

Municipal Index 1927. American City Magazine Corporation, New York. 1927.

The National Budget System, by W. F. Willoughby. The Johns Hopkins Press, Baltimore, Md. 1927. \$3.

The National Income 1924.—A Comparative Study of the Income of the United Kingdom in 1911 and 1924, by Arthur L. Bowley and Sir Josiah Stamp. Oxford University Press, Oxford, England, 1927.

The Panama Canal, by Darrell Hevenor Smith. The Johns Hopkins Press, Baltimore, Md., 1927. \$2.50.

Practical Business Forecasting, by David F. Jordan. Prentice-Hall, Inc., New York, 1927. \$5.

Proceedings of the International Conference on Bituminous Coal—November 15-18, 1926. Carnegie Institute of Technology, Pittsburgh, Pa., 1927.

Securing Employment for the Handicapped, by Mary La Dame. Welfare Council of New York City, New York, 1927.



Tiddle-dy-winks- Do your Mechanics Play it?

Big men playing around with small loads—all the while drawing high wages that gobble up the profits! That's "Tiddle-dy-winks" in American industry.

In the dye plant pictured below, husky men leisurely removed wool from the dye vats with pitchforks. In the pottery, they gently and gingerly handled one piece of ware at a time. In the foundry, three men were required to pour and skim a ladle of metal.

But the science of "Fitting Moving to the Making" is making rapid strides.

Just write that you want to stop the "Tiddle-dy-winks" in your factory.

CLEVELAND ELECTRIC TRAMRAIL DIVISION
THE CLEVELAND CRANE & ENGINEERING CO., WICKLIFFE, OHIO

Builders of
CLEVELAND CRANES
All sizes for every service

The Cleveland Tramrail System in this modern dye plant withdraws the entire vat load at one time. It handles the unwieldy cover to and from the vat—saves the cost of labor formerly required to empty by hand—keeps the vat and liquor in continuous use—doubles the output from this costly producing unit. Moving has been fitted to the making process, and "Tiddle-dy-winks" are no more!

CLEVELAND TRAMRAIL SYSTEMS

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Read Little Blue Books, Pocket-Sized, 15,000 Words per Volume—Self-Teaching, Entertaining, Cultural—Your Choice, 5c per Book. ORDER BY NUMBER. EACH

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HALDEMAN-JULIUS PUBLICATIONS

Dept. S-74 Girard, Kansas

If You Are a Banker or if you follow financial legislation—

You will be interested in a sixteen-page analysis of the recent McFadden-Pepper Act which has been issued by the Finance Department of the United States Chamber of Commerce.

This analysis is arranged topically. In each instance the former law is stated and the change made is indicated. The banker can tell what are now the branch banking powers of his bank, the real-estate loan privileges, to what extent he can deal in investment securities, and how much he can lend to any one customer.

The price of this analysis is twenty-five cents

FINANCE DEPARTMENT
U. S. Chamber of Commerce
Washington, D. C.

Ourselves as Others See Us

THE SUGGESTION that the American merchant marine be bolstered by means of building two 40,000-ton consortships for the *Leviathan* raises "the question of whether the American people will be willing to pay the large sums necessary to maintain an unprofitable service." With its statement of the question, the *Manchester Guardian Commercial* dredges some informative records from the history of earlier single-ship ventures:

It is obvious that the ships which run alongside the *Leviathan* at the moment are quite impossible for the service, though they are excellent vessels for the cabin class. It is no new thing to discover the impossibility of a single-ship service across the Atlantic. The National Line had made a great name for themselves carrying emigrants and cattle when they built the record breaker *America* in 1884. She won the record easily enough and attracted a lot of attention, but she was a dismal failure



financially, and helped to smash the company. So it was with the famous *City of Rome*, built for the Inman Line and rejected. Her builders put her under the management of the Anchor Line and she never lacked her patrons, but the other ships on the service were quite small and unimportant and it cost large sums to keep her running. The Cunard Line was the first company to realize that sister ships would pay, and they proved to the world that steam navigation across the Atlantic was practicable.

WITH EVERY new evidence of the magnitude of America's prosperity putting the world on higher levels of amazement, there must be some satisfaction abroad in probing for "the secret" of this country's vast wealth, for the search goes on with engaging variety and ingenuity of method—for illustration, this report from the *Manchester Guardian Weekly*:

We seem to be faced with a development almost unique in economic history. Or is it that America is now simply taking the place of the industrial leadership of the world which this country occupied in the early and middle nineteenth century? To what is this amazing American progress due, and will it last? No doubt the war helped, but the war only hastened a development which was already in full swing. For American prosperity depends far less than ours ever did upon foreign markets, and the markets which the war temporarily closed to us are not now, if they ever were, the source of her increasing wealth. She is less handicapped by what is called labor unrest, but how could there be labor unrest where incomes rise with this astonishing velocity? The excellence of her industrial relations is probably a consequence rather than a cause of pros-

perity. And the same, perhaps, may be said of the technical perfection of her mechanical methods, since money is easily obtained for large-scale industrial experiments and a generally handsome way of doing business. Perhaps one would not be far wrong in guessing that the main causes lie in her having not only immense natural resources and a population which in relation to them is still not excessive, but also the largest area in the world where trade is completely free and capital can find its most productive outlet without interference. The last advantage is likely to be hers forever. The other two will presumably diminish. But for as far ahead as this generation is likely to look there appears to be nothing to prevent the continuance of this astonishing rate of progress.

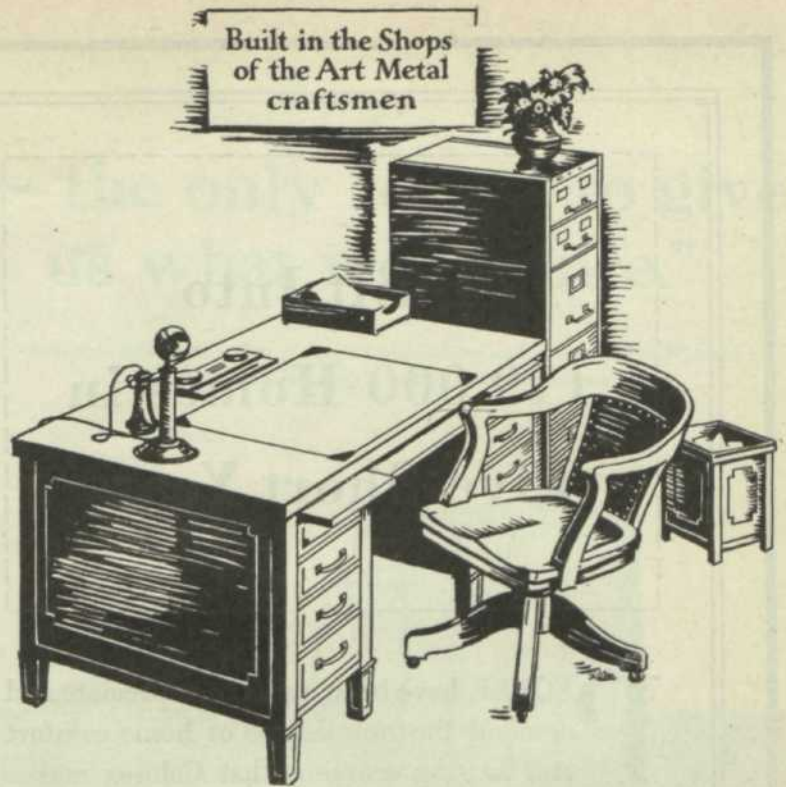
NOW THAT the Lord Mayor of Liverpool has talked with the Deputy Mayor of New York, and the Mayor of Lancaster, England, has exchanged words with the Mayor of Lancaster, Pennsylvania, London no longer has a monopoly in England of the wireless telephone. Soon the service is to be extended to all towns in England, Scotland, and Wales. Of this inter-world enterprise, the *Manchester Guardian Weekly* says:

This conversational link between the old world and the new interests us at the moment very much as a new and magical-seeming toy interests a child. But, unlike the toy, the trans-Atlantic telephone will not be discarded when the novelty wears off. When it has become customary and cheap, it may help a great deal to make whole the present imperfect sympathies between the two peoples.

IN THE production of statistics, America probably is more prolific than any other country, by admission of the *Manchester Guardian Commercial*, though it qualifies that generous rating with the comment that "Lancashire has a right to ventilate its feelings about the cotton statistics that are published from time to time." With regard to the "Jones bill," which limits cotton crop reports to four by abolishing all mid-monthly reports for June, July, and August, the *Guardian* says:

The mid-monthly reports have not done much towards reducing price fluctuations, but they have done a good deal towards disturbing the market by reducing the volume of business taking place in the three or four days immediately before and after their reception. . . . But it would be difficult, indeed, to face the prospect of having no official reports at all before September, as the markets would be at the mercy of private estimators and propagandists during half the growing season, and it would be impossible to check the action of speculative interests who were in a position to take advantage of the general ignorance of traders. It seems probable that if the Jones bill is passed by the Senate, opposition will become so strong after one season's experience that the system will have to be changed again, and those who watch the markets will again have to alter their bases of comparison. Frequent changes in the schedule of reports greatly detract from their usefulness, since it takes two or three years to

HOW THE CRAFTSMAN OF THE 80'S INFLUENCES ART METAL OF TO-DAY



The precision of the master craftsman—his careful study of proportion, of design—the infinite attention he paid to little details—these are the inheritance of the modern Art Metal worker from the craftsman who first learned to make steel office equipment beautiful as well as practical.

But even the painstaking hand work of the first Art Metal craftsman could not produce the Art Metal steel equipment of today.

The worker of 1888—precise and patient as he was—had neither the machinery nor the materials now

available in the world's largest plants producing steel office equipment.

The special cold rolled open hearth steel, the solid bronze fittings perfectly machined, the double strength spot welded construction—these are a few of the contributions of the modern Art Metal workers.

Your own eye will instantly tell you that Art Metal is the unusual in steel office equipment. Your pocketbook will be pleasantly surprised at the moderate cost of Art Metal desks, files, safes and shelving. Art Metal Construction Co., Jamestown, N. Y.

The New Jersey Zinc Company, with headquarters in New York City, says, "We feel that Art Metal desks are quite superior to others."

We will gladly furnish prices and specifications of Art Metal steel office equipment. Write us for catalogs and complete information.



STEEL OFFICE EQUIPMENT
by **Art Metal**

Built Into 119,000 Homes in Five Short Years

PEOPLE have been quick to appreciate and demand the new degree of home comfort and heating economy that Celotex makes possible.

Since 1922 more than 119,000 homes have been built with Celotex. With this same material thousands have been remodeled. Sales have multiplied 29 times in five short years.

These facts establish Celotex as one of America's fastest-growing industries.

And Celotex is an industry as basic as building itself. Its market is not limited to homes of any size or price class. Every home owner wants the increased comfort and substantial fuel-saving that Celotex makes possible. And every home owner can afford them.

To meet this fast-growing demand is a practically unlimited yearly supply of *bagasse*, the cane fibre from which Celotex is made. The production of Celotex is now on the basis of 350,000,000 square feet per year. Many of America's leading business men are identified with its success.

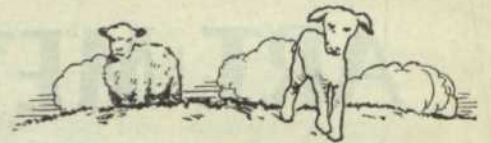
Complete information about Celotex may be secured by addressing Dept. M-266, The Celotex Company, 645 No. Michigan Ave., Chicago, Ill.

CELOTEX
INSULATING LUMBER

obtain a criterion by which to judge each of the estimates, and it is hoped that the Washington authorities will bear this in mind.

A COPY of the *American Sheep Breeder*, which came by chance to the writer of "A Business Man's Diary" in the *Manchester Guardian Commercial*, impelled this generous compliment:

Some Lambs Go to Market, Some to Wall Street On the first page, for example, there is an article advocating lamb as "a new source of food supply." "Lamb is a very palatable meat, it is easily digested, and it has a high food value." Part of the article is devoted to recipes for preparing lamb for table; evidently lamb, which is a staple food of all classes here, is never eaten by large numbers of our American cousins. From the paper's answers to correspondents I



think the *Commercial* might gain some hints; from a section dealing with Hampshire sheep I cull the following reply. "Good work, Sammy, my boy. Keep it up. This association is with you to the limit." From other parts of the paper I pick the following items: "The wind shows which way the straws are blowing and also that more lace is being sold than formerly." "I have a last spring lamb in my flock which is a new one on me. It is both a ram and a ewe lamb and neither one." From an advertisement: "If our readers want honest-to-God virgin wool blankets. . . ." And there is the usual subject. "It is all right to give the key to the city to our visiting notables from abroad, but it is quite unnecessary to give them the combination to the national strong box." The whole paper is bright, and in some thirty pages gives a great deal of information about sheep and wool both in the states and in other parts of the world.

WITH the St. Lawrence waterways scheme becoming an important issue in Canadian politics, the *London Times* thinks it worth while to try to define the American attitude for its readers. To the *Times*,

The American attitude has long been plain. They are eager to get on with the scheme and are only waiting for Canada. The middle and far western states have been keenly pressing it for years, as their trade has grown and they have seen the chance of saving, for instance, five or six cents a bushel on wheat freights. Much election capital has been made out of the scheme, particularly by the Republicans. President Coolidge has shown himself a strong supporter. Opposition in the states comes chiefly from New York and New England. The eastern ports of the states, like those of Canada, see their supremacy endangered if they cease to be the normal points of transshipment. It is urged in New York State that if any large-scale work is attempted it should be the construction of a deep channel way through the Erie Canal and the Hudson, an all-American route that would be open all the year round and would be centrally placed for serving all parts of the world. But this proposal has not found much favor. It would be far more costly, and

"— the only record to give us what we require."

*So say the well known makers of Apex Suction Cleaners and Rotarex Clothes Washers.
Read their letter and apply it to your own requirements.*



The Apex Electrical Manufacturing Co.

ELECTRICAL HOME APPLIANCES
FACTORY AND GENERAL OFFICES

Cleveland, Ohio

April 1, 1927.

The Brooks Company,
Cleveland, Ohio.

Gentlemen:

We are pleased of this opportunity to give our experience with "Brooks Visualizers".

This system of record keeping has been used extensively throughout our Production and Cost Departments for a number of years.

We are thoroughly convinced it is the only record to give us what we require, namely—

1. Speed in making postings.
2. Visibility (which means a fast look-up.)
3. Accessibility (Equipment may be picked up and used by any-one.)
4. Requisitioning material (Impossible to slip by a part owing to visibility of every record.)

We heartily recommend Brooks Visualizer to any-one desiring records which must give results, fast and correctly.

Yours very truly,

THE APEX ELECTRICAL MANUFACTURING CO.

Alfred Leake
Production Manager.

BROOKS VISUALIZERS

FOR ACTIVE BUSINESS RECORDS

1. **Every Sheet Visible:** Book opens by tab to right series of overlapping sheets. The name, subject, or number of each sheet is immediately seen.

2. **Ready for Instant Use:** No walking to and from cabinets or thumbing over cards or pages.

3. **Automatic Shift:** Makes space anywhere for new record sheet or closes space after removal without disturbing others. So easy that book is always kept up to date.

4. **Flat Opening:** On account of hinge book lies firm on desk, giving solid, flat writing surface.

5. **No Change in Your System:** Adaptable to any type of record; for any size installation—from one book containing 500—1000 sheets to one hundred books and over. Both books and sheets can be furnished in various dimensions to meet any particular requirement.

6. **Threefold Saving:** No expensive files or cabinets—less help required—occupies less space in office.

The only visible equipment with the automatic

FLEX-SITE
PATENT SHIFT

Offices in 67 Cities

Distributors for Canada:
Copeland-Chatterton, Ltd., Toronto.

THE BROOKS COMPANY

1235 Superior Avenue

Cleveland, Ohio



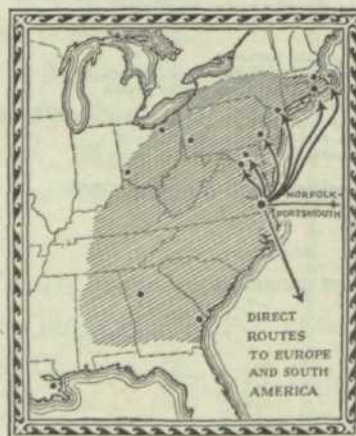
A large native labor market for you to draw upon

INDUSTRIES in the Norfolk-Portsmouth area have the advantage of the labor market of a large metropolitan center, and in addition a reservoir of high class rural labor in Virginia and the Carolinas to draw upon.

The quality of this labor is exceptionally high. Only 4.8 per cent is foreign born, less than one-sixth the rate of northern cities. Norfolk's mild climate means a high health rate—all year operation of outdoor industries.

Norfolk's highly favorable geographical location makes possible substantial economies in the distribution of finished products. By land eight great railways link Norfolk with the great consuming markets. By sea, from a harbor free all year from ice, frequent sailings to both coasts—Europe and South America.

Norfolk's abundant acreage provides excellent plant sites at moderate cost. Our Industrial Commission will be glad to assist you by preparing an economic and engineering analysis of the Norfolk-Portsmouth industrial area as related to your specific enterprises. All inquiries held in confidence. Address Norfolk-Portsmouth Industrial Commission, Dept. N4, Chamber of Commerce, Norfolk, Va.



Quick short hauls to half the population of the United States. By sea—express coastwise service at freight rates to the Atlantic Coast cities. Direct sailings to Europe and South America.

NORFOLK-PORTSMOUTH

Chamber of Commerce

When writing to NORFOLK-PORTSMOUTH CHAMBER OF COMMERCE please mention *Nation's Business*

it would not provide the enormous supplies of hydro-electric power that the rapids of the St. Lawrence offer. The American engineers are sanguine about the St. Lawrence scheme, and the United States Government, with public opinion behind it, is anxious to begin a work which promises such great advantages in transport facilities to the west and cheap power to the east. On the Canadian side of the border there is naturally more hesitation. The Canadians claim that the United States would reap greater advantages and should pay a higher proportion of the cost than is suggested. They believe that the recent action of Chicago in deflecting the waters of Lake Michigan for drainage purposes has affected the natural levels of the lakes and thus inflicted serious loss on shipping.

JOURNALISM in Britain can hold up only a flickering torch of enterprise, compared to the tremendous voltage used by the American press when America seeks to reveal her soul, confesses the *Nation & Athenaeum* in commenting on the results of a questionnaire on religious beliefs. In his column, Life and Politics, "Kappa" admits that

the recent enterprise of this journal in holding a questionnaire of religious beliefs pales into insignificance beside the contemporary effort in America. In the States they do these things properly. The Church Advertising Department of the International Association is running it, and may be safely left to Tell the World, especially as the results are calculated to bring a blush to the cheek of the British Patriot. "Census Discloses America Is Devout," trumpets the *New York Times* headline. "Questionnaire in 150 Newspapers Brings Admission of Belief in God by 89 Per Cent. English Rate Is Lower—In London *Nation* Survey 1,024 of 1,849 Denied Belief in a Personal Deity." Please let us have no more cheap sneers about "God's Own Country." Look at the figures.

FAILURE of the trade union idea to take deeper root in the United States is attributed by the London *Times* to the "national

tradition of traveling hopefully, the knowledge that there is a better, or at least a different, opening round the corner, the

absence of any idea of fixity of status, the stream of racially isolated immigrants." Only 4 per cent of the population is included in the union membership, and the policy of organized labor is "exceedingly mild," the *Times* finds. This gratuitous mildness, perhaps, may help to explain the "remarkable weakness" which the *Times* professes to see in the union movement, for

the very fields in which American trade unions are effective, as insurance societies or cooperative traders, are a proof how completely they are dominated by the prevailing tendencies in industrial life. Big business is in the saddle. It controls the United States today with the full approval of most Americans because it is held to be justified of its works and sealed with the seal of success. The strong popular movement of the nineties, President Roosevelt's trust-busting campaign, President Wilson's "New Freedom" from business dictation, have given place to an attitude of grateful confidence towards the leaders of industry and an idealization of business as service; and the bigger the business the greater its service. When the present President makes a speech he usually pays tribute to the in-

dustrial magnates whose "vigilant friend and defender" he declares the Government to be. The Administration, following public opinion, is exceedingly severe towards labor agitation. But the Federal Trade Commission, and the other bodies created to check exuberant enterprise, have today a blessing instead of a scowl for those businesses which, by combination or merger, can contribute to efficiency and the cheapening of production.

EXTENSION of the trans-Atlantic telephone service to include "a Southern exposure" in the United States caused wild excitement at the General Post Office in London, by report of "an entirely unvarnished correspondent" of the *Manchester Guardian Weekly*. On his word:

Al Jolson Could Shout All the Way Across

As soon as the new service was opened the place was besieged by a long stream of melodious colored gentlemen who expressed a lively desire to telephone to their coal-black mammies. They explained, with considerable emotion, that they had roamed from their homes for more years than they cared to recollect, and they were desperately anxious to speak to their dear old mammies once more. The operators found some difficulty in getting the calls through, as many of the gentlemen had not the slightest idea of what number they wanted. They gave such vague directions

as "My Old Kentucky Home," "Where the Black-Eyed Susans Grow," or "Down Home in Tennessee," and when asked to be more precise they could only add that roses were growing round the door, or that whippoorwills were singing on the hill. Eventually, however, the calls were put through; the telephone wires hummed with Southern lullabies, crooned by coal-black mammies to their wandering sons, rhythm reigned, and postal revenues profited.



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FANCIFUL puffs in the advertising pages of magazines give more entertainment and instruction than do the "silly stories" to the writer of "A Business

Quips of "Ad" Men All Refine Us Man's Diary" in the *Manchester Guardian Commercial*. A copy of the annual review and forecast number of the *American Textile World* invites this casual appraisal of the economics of advertising:

My first glance has been mainly confined to the advertisements, which are numerous, and, in the main, exceedingly well done. Any publication with plenty of good advertisements is to me a welcome friend; the work of the publicity experts, as the advertisement firms now pompously publicize themselves, may or may not add to sales, but it certainly increases entertainment and instruction. And, after all, though life has need of its facts and reality, there is always room for fancies and romance, and so, I say, it is a good thing that we have the movies and advertisements. In looking through the "publicity

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MORE POWER

per CUBIC INCH



Fitted to the Work in Every Size

With one unit or many in your line you can power your entire production from this single source, and depend upon each of Wisconsin's Fours and Sixes—20 to 120 H.P.—to outperform any other motor of comparable size.

In addition to factory-cost savings is the selling advantage of demonstrable, unequalled economy in the performance of your product. Wisconsin's "More Power per Cubic Inch" is reaffirmed day after day—more work per dollar—in fuel, oil and infrequency of servicing.

Fitted to the work, and engineered for Better POWER, every model in the Wisconsin line is built to hold a maximum of Good Will for the truck, tractor, bus or machine it drives.

Ask for the facts that prove it

WISCONSIN MOTOR MFG. CO.
Milwaukee, Wisconsin

Wisconsin Motors are built in a full range of Sixes and Fours, from 20 to 120 H.P., for trucks, busses, tractors and construction machinery, including models housed as industrial units.





—for helpful counsel

Solid knowledge of investment conditions throughout the world—close familiarity with bonds of all types—daily experience in meeting the needs of thousands of investors—all these are back of National City advice on bond investments. Representatives at any office listed below will gladly help you select good bonds for your available funds or advise you on your present investment holdings.

The National City Company

National City Bank Building, New York

Offices: Albany, Atlanta, Atlantic City, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Dallas, Davenport, Denver, Detroit, Hartford, Houston, Indianapolis, Jacksonville, Kansas City, Los Angeles, Louisville, Memphis, Miami, Milwaukee, Minneapolis, Newark, New Orleans, Oakland, Omaha, Philadelphia, Pittsburgh, Portland, Me., Portland, Ore., Providence, Rochester, St. Louis, Saint Paul, San Diego, San Francisco, Scranton, Seattle, Toledo, Washington, Wilkes-Barre, Montreal, Toronto, London, Amsterdam, Copenhagen, Geneva, Tokio, Shanghai

You May Need Me!

I want the Sales Agency or Branch Office managership for the Kansas Cities and adjacent territory. I'm worthy and the product must be of the same nature. Your correspondence and subsequent investigation invited. Address Box No. 83, c/o NATION'S BUSINESS.

For the Ambitious

"We take NATION'S BUSINESS for the authentic information it gives," writes S. G. McMullin, President of the Home and Land Investment Company, Grand Junction, Colo. "It is the most valuable publication now printed, we believe, for the man who is ambitious and wants to rise above provincialism."

When writing to THE NATIONAL CITY COMPANY please mention *Nation's Business*

pages" in magazines I often wonder whether most of the advertisements pay. . . . At any rate, of the value of one type of publicity I have no doubt; the trade advertisements appearing in trade and business papers are worth doing because they are read by experts who are, or ought to be, looking out for new ideas; if only all were as well set out as the best of these in the *Textile World*.

POSSIBILITIES of "almost unlimited friction" are seen by the *Nation and Athenaeum* in a bill passed by the United States Senate and sent to the House Committee on Immigration and Naturalization, in which it is provided that "no vessel shall . . . bring into a port of the United States as member of her crew any alien who, if he were applying for admission to the United States as an immigrant, would be subject to exclusion under that subdivision of the Immigration Act of 1924 which applies to Orientals." As this journal sees it:

The alleged object of the bill is to prevent the entry into the United States of Asiatic deserters from foreign ships, or the introduction of "mala-fide" seamen under the guise of seamen." These cases, however, are already provided for by existing laws, and the real object of the bill is to create difficulties for British, German, Norwegian, and other shipowners in competition with the American lines. Like the Ship Subsidy Bill, happily withdrawn, this bill is an example of the curious inability of the American politicians to realize that foreign trade is a two-sided affair, and that the conditions of transport cannot properly be dictated by one party to the transaction.

FOR "ONE of the neatest criticisms of American life," the *Manchester Guardian Weekly* gives thanks to Mrs. Rosa Lewis, "a well-known West End cook," who was interviewed during a visit to New York. Of the interview, the *Manchester Guardian Weekly* says:

"Always give a sausage a pat when you put it in the pan," she advised her interviewer. "That," she added, "is what America needs, too—a little pat. Has too many edges." She was worried by the sharp angles of the high buildings and the innumerable square windows placed symmetrically one above the other. "Too new, too sharp," she repeated. "Needs a pat here and there. Yes; America needs smoothing down." But it remains to be seen whether the comments of Mrs. Lewis will be regarded as a smoother-down or a ruffler-up.

A LAUGHING competition included in the program broadcast by a radio station at Omaha moves the *Manchester Guardian* to this facetious comment on the "curse of more culture":

As Well Tell Us "Static" Is Grand Opera Over a hundred competitors took part and each roared his loudest into the microphone. Good marks were given for many things, ranging from "volume" and "contagious quality" to "wholesomeness"—so that evidently no points would have been awarded for a nasty, cynical snigger.

But it is no use the British Broadcasting Company thinking of borrowing the same idea. Thousands of indignant wireless enthusiasts would only lay down their receivers and groan aloud, "I can't stand these highbrow programs at any price!"

This Exhibit

is from the Wm. J. Brennan Grocery Company of Saint Louis. Mr. Brennan's statement, printed below, deserves serious attention from all who desire more sales at lower advertising cost.

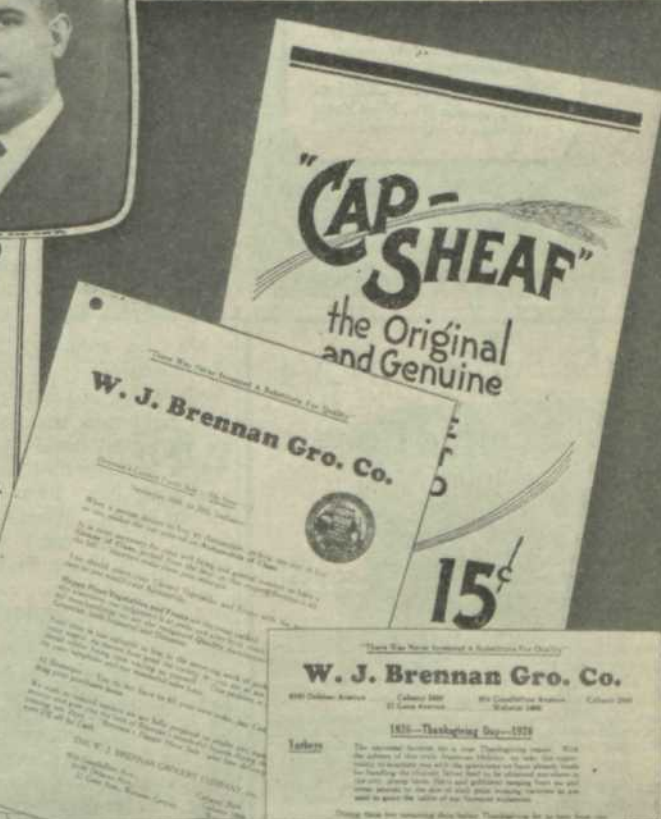
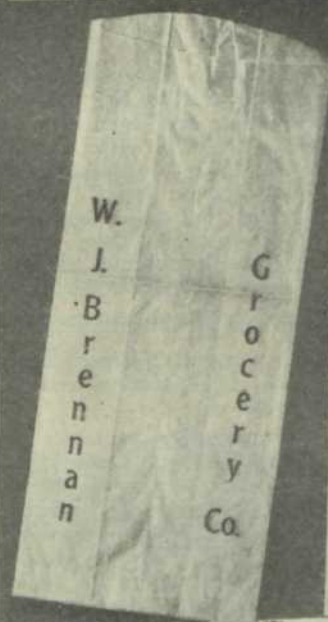


We quote two paragraphs from a recent letter of Mr. Brennan. (Italics are ours.)

"This equipment has enabled us to secure the *highest quality of work*, and at a cost of at least 35% below the lowest price that we could secure from a printer."

"Our advertising for three stores in Saint Louis enters a highly competitive market, but we are *showing consistently, every year, big gains* in our merchandizing, and this without a single inch of newspaper advertising."

For Multigraph application to your own business, look in your telephone book for The American Multigraph Sales Company, or write to our home office, 1806 East 40th Street, Cleveland, Ohio.



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Business Views in Review

By ROBERT L. BARNES

FROM the *Bulletin* of the National Retail Dry Goods Association:

"Wherever retailers of the type who raised the howl against the possibility of Ford competition gather, there is always much talk about chain stores and mail-order houses and sometimes of the terrific ravages wrought by department-store competition.

"Such retailers, as the story is told, are always on the verge of being put out of business.

"If they really want to be put out of business, could they choose any better way than to put into the minds of consumers that they cannot compete with Ford, or the mail-order house, or the chain store?

"Ford presumably is not to be their competitor—not just now.

"But by their demonstrations they have left in millions of minds the belief that Ford—or some one as efficient—could undersell them by 40 to 50 per cent of the selling price of their goods.

"The consumer—like the retailer, like Mr. Ford himself—once an issue is raised, will look out for his own best interests. Hence, if it be true that Ford can undersell the ordinary retailers by such a large margin, obviously it will pay the consumer to patronize these inefficient ones as little as possible. . . .

"The main appeal was economy. "Economy of distribution can be achieved by cutting out expensive service.

"If people do not want service, if they do not want attractiveness, then expenditures in that direction are not warranted and should be eliminated not only in Ford's stores but in retailers' stores."

On the company store problem the *San Francisco Grocer* says:

"If Mr. Ford will listen to us, we can tell him right now that it is the very same spirit in the well paid American working man which induces him to buy a Ford car which prevents him from patronizing the Ford Commissary. What's the good of living wages if you can't spend them where you please? If a man makes good money, doesn't half the pleasure consist in getting away from just such patronizing arrangements as Mr. Ford employs?"

A Danger for Retailers

TO GO back to the editorial in the *Bulletin*. It points out that should Mr. Ford extend his activities throughout the country he would meet many of the expenses that face the retailer but which up to this time Mr. Ford has been able to avoid due to the location of his stores. However, the interesting phase of the problem that Mr. Hahn points out is "the real danger to retailers" of nationally advertising manufacturers.

"If Mr. Ford . . . should choose to go into the retail grocery business, he could make it almost impossible for the average grocer of today to compete with him, and he could make huge profits. . . .

"All he would have to do would be to cut out the nationally advertised brand system which the retailers have built and which now leaves them hanging on the brink of disaster and ready to shriek with fear at the possibility of real competition.

"If now a man like Ford, who has had tremendous advertising, a dramatic figure watched by the general public with faith in his business efficiency, should enter the retail business and instead of buying and

selling the brands of other manufacturers should set out to know merchandise grades and to buy value, Ford's own reputation would inspire public confidence and he could then easily undersell the brand-dominated retailers on at least equivalent qualities."

The American Grocer attributes any weakness in the retail grocery business to inefficiency. "The retail grocery field has been manned by an inefficient force and old methods have been clung to and as a consequence the chain stores and some other types made an easy conquest when they invaded certain markets."

Printers' Ink has more reassuring words for a grocer: "If the Ford commissary in your town is a counterpart of the one in River Rouge and if yours is a cheerful store in which people smile as they buy, then Ford's prices won't put you out of business. Just as you wouldn't beat Ford in the automobile business, so he can't overcome you in the grocery business. His competition will continue to sharpen your wits. He knows his bolts and nuts, but you know your onions."

To refer again to the *San Francisco Grocer*, it says editorially:

"It is one thing to take a trained force of Fordites accustomed to the military discipline of the place and have them purchase their goods with businesslike precision and it is another thing to expect the general public to do the same thing."

But it seems that the stores must have been well patronized or there would never have been these comments. Is it perhaps that they don't smile in Detroit?

Waste in Distribution

THERE is, however, a larger question than that of the retail grocery business which *Iron Age* points out:

"The retail prices for vegetables and fruits in New York are about twice the wholesale prices for such goods landed in New York. . . . It may be assumed that roughly there are 30,000 agencies of one kind or another, effecting the distribution of foodstuffs to a population of 6,000,000, or one agency to every 200 of population. A large number of these agencies employ more than one person, many of them employ a large number of persons. . . .

"Probably the most wasteful thing in our whole country is the manner in which our goods are distributed for final consumption. In this there is the greatest inefficiency which is summarized in the declaration that too many persons are employed doing it. Each of these persons may be industrious. Most of them accomplish nothing better than barely earning their own living. Their intentions are good, but their efforts are misdirected, or undirected."

The editorial then goes on to point out that Mr. Ford's store activities may open people's eyes to the wastefulness of the distributive processes but that more efficient methods will come into use but slowly.

How Are the Railroads to Be Valued? The O'Fallon Decision

IT IS NOW up to the courts and ultimately the Supreme Court to settle the question of how the railroads of this country are to be valued. In the St. Louis and O'Fallon Railway Company case the Interstate Commerce Commission brought the

60 times its own weight

This 2-Ton "CATERPILLAR" Tractor works night and day shunting coal cars from yards to wharf in Newcastle, New South Wales. ☞ It's a yard engine and train crew combined - it's useful for all sorts of other work too.

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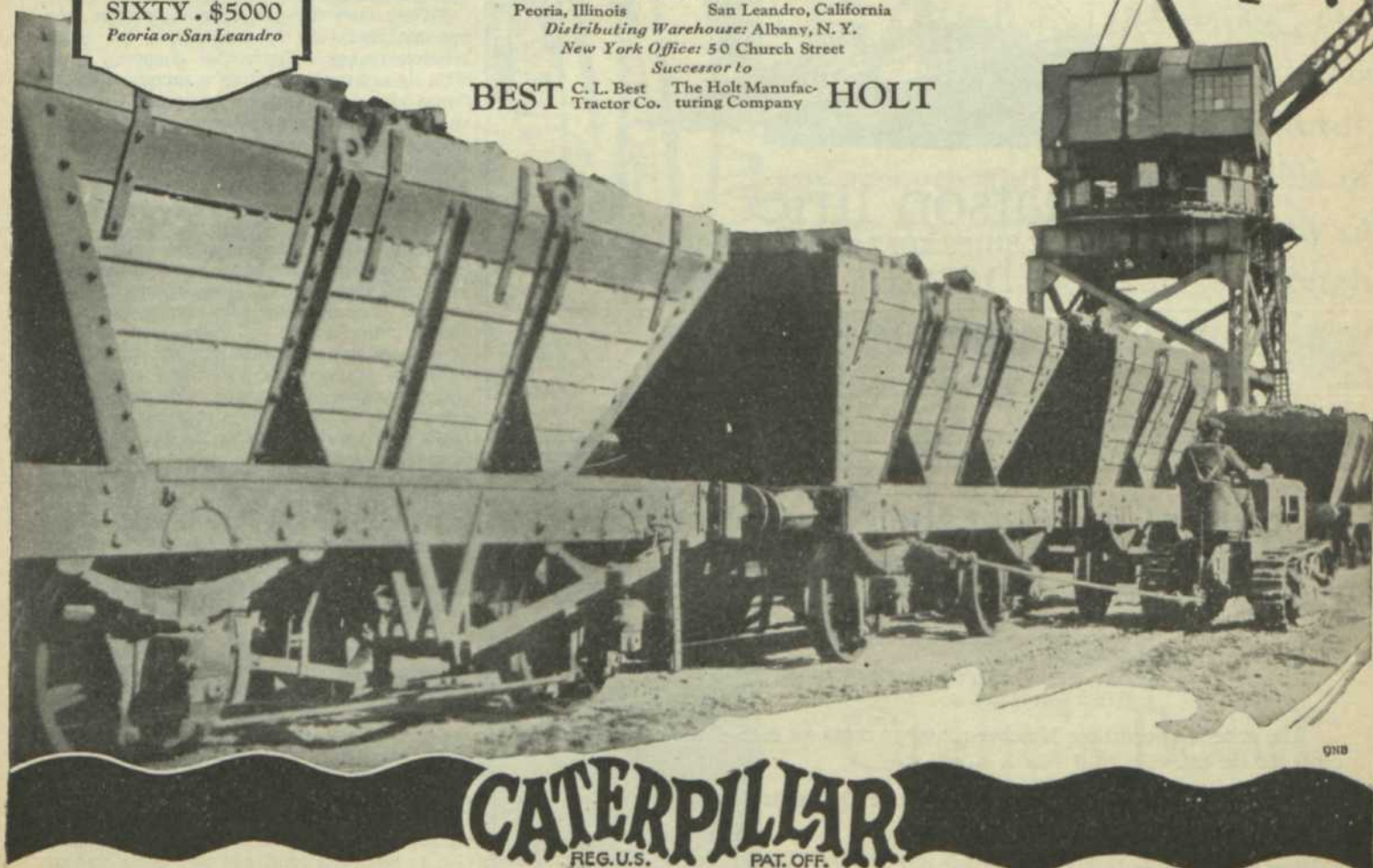
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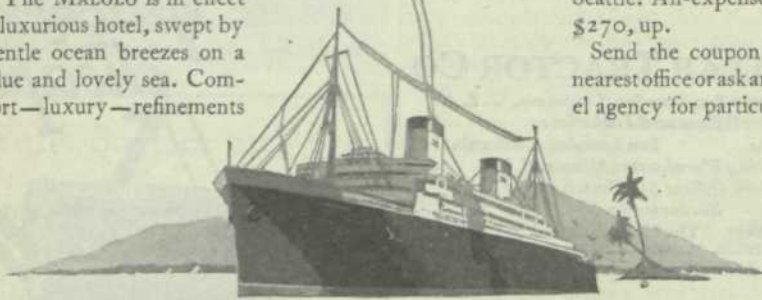
The MALOLO is in effect a luxurious hotel, swept by gentle ocean breezes on a blue and lovely sea. Comfort—luxury—refinements

found only in the most famous hotels—all are embodied in this dream ship, devoted solely to first-class passengers.

Bound tight with the romance of the Pacific and the development of Hawaii and the South Seas is the Matson fleet of nine splendid ships. *Malolo, Maui, Matsonia, Manoa, Wilhelmina, Lurline, Sierra, Sonoma and Ventura.*

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Retailers Can Meet the New Competition

by putting to use some of the suggestions offered in the following four pamphlets prepared by the Domestic Distribution Department of the United States Chamber of Commerce:

1. Group Efforts by Merchants for Promoting Trade.
2. Merchants' Institutes.
3. Educational Courses for Retail Sales People.
4. Special Sales Events.

The price is 15 cents for Number 1, and 10 cents for each of the others—or 40 cents for the set.

Department of Domestic Distribution

U. S. CHAMBER OF COMMERCE

Washington, D. C.

When writing to the MATSON LINE please mention Nation's Business

question to a clear-cut issue. The *Index* states the case in these words:

"The O'Fallon case arose under Section 15A of the Transportation Act of 1920 which prescribes that a railroad shall pay into a reserve fund set up by the Act, one-half of its earnings in excess of 6 per cent upon the value of its property used in transportation service. Under this section the Commission seeks to recapture from the railway company 'excess' earnings of some \$226,000 covering the period from March 1, 1920, to December 31, 1923. The Commission itself divided 6 to 4, and the majority and the minority split squarely on the basic question of what should constitute the value of a railroad for ratemaking purposes.

"Following the Supreme Court's opinion in cases involving public utility valuations, the railroad asked for a value equal to the cost of reproduction at present prices. The majority ruling rejects that in theory and practice. It sets up a value for recapture purposes representing the following combination of factors:

"For property installed prior to June 30, 1914—the major part of the railroad—unit prices of 1914 without any enhancement for changes in prices since that year; for units installed between 1914 and 1919, unit prices of 1914 with an allowance for increases in prices during that period; actual cost of property installed since 1919. In other words, the majority refused to value the bulk of the railroad's property on any basis higher than reproduction cost at 1914 prices."

DRY GOODS ECONOMIST calls the decision "economically odoriferous" and finds the decision calculated to please "the less intelligent; a certain class of politician and his following and nobody else."

BARRON'S falls into this latter class by pronouncing "the whole valuation proposition is absurd."

"When does the valuation ever enter into rate-making? At long intervals the commission makes a horizontal change. Even then its assumed valuation is merely a vague figure ahead of it, warning against allowing the railroads to earn more than what Congress thinks proper. It is not a 'basis,' and the moment those horizontal rates are established the commission proceeds to pare them down, one by one, on the petition of the shippers.

"Almost before the new rates have become effective the structure has been changed. Who will pretend that a single one of these changes has anything whatever to do with the valuation of the railroads—as in 1914 or at any other date arbitrarily assumed?

"There is one straightforward cause for the Interstate Commerce Commission to take. Let it report to Congress the plain truth that valuation under the law has been found, in practice, an impossible basis for rate-making."

COMMERCIAL and Financial Chronicle finds "it is hard to see how the lines which the Commission has followed can lead to an equitable fixing of charges for transportation service."

RAILWAY AGE takes exception to the decision on several counts and finds the Commission's argument striking because:

"First, it will be observed that apparently the Commission has flatly refused to obey the law of the land with respect to public utility valuations, as frequently expressed in several recent decisions of the United States Supreme Court. Instead, it has expressed views which would appear to be in exact contradiction to what the court has repeatedly stated.

"Second, the brief will be found to contain some of the most important statements ever made by the Commission relative to its valuation policies and methods of finding railroad values.

"Third, never before has the Commission stated more succinctly its reasons for declining year after year to establish a level of rates which will yield the fair return to which the carriers are entitled. Surprising will it be to discover that the fault seems to be laid at the door of the carriers who, except with reference to the western rate advance case 'have accepted our findings' and 'shown little disposition to seek further increases.' As the Commission expresses it, 'they have realized that to do so would be to risk conflict with inexorable economic conditions.'

"The majority opinion, written by Commissioner Meyer, takes a view which, expressed in its essentials, would be to the effect that the present cost theory of valuation is economically unjustified. It is contended that to use present costs as the rate basis would result in higher rates than the public could pay, and that due to fluctuations in the value of the dollar, present cost valuations would result in instability of the rate base and the rate level.

"The minority opinion points out that the Supreme Court has explicitly stated adherence to the view that public utilities should be entitled to earn a fair return on their value as of the time of the making of the rates."

TRAFFIC WORLD takes a somewhat similar point of view when it writes that "the Commission undertakes to establish a policy; that the making of a policy is no part of the duty of an administrative body such as the Commission is, but is wholly within the province of Congress."

On the other side of the question Senator Norris of Nebraska has been quoted in the daily papers as stating that: "The railroads' claims for a valuation of \$11,000,000,000 or more in excess of a fair valuation were properly rejected by the Commission. If these claims had been granted it would have meant an increase of at least \$600,000,000 a year in freight and passenger rates which would have imposed a destructive burden upon business and agriculture as well as the consuming public. . . . Excessive transportation charges based upon the inflated valuations sought by the railroads would paralyze the productive activities of the nation and bring upon all of the people the suffering now experienced by agriculture."

THE NEW REPUBLIC points out that: "Since 1920 the investment in railroad property has been increased by four billion dollars, partly out of income but largely by the sale of new securities. The credit of the roads has been steadily improving and many companies are beginning to issue new stock, as well as bonds and notes. . . . Service is better than ever before. . . . Carefully constructed index number of railroad stock prices shows, on January 1, 1927, at the highest point in history with the exception of 1910 when they were only two or three points higher."

Is this result compatible with the theory that there is confiscation in omitting from the rate base reconstruction cost at present price? If so, we should even have to admit that "a large measure of confiscation exists in the case of some of the most prosperous railroads of the country, whose securities of all descriptions find a ready market at most favorable prices."

"In regard to stability of return, the Commission points out that if we take 18 billions



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If you want to get a fresh look at your business stationery, try to see it from the point of view of the man who never saw your letterhead before.

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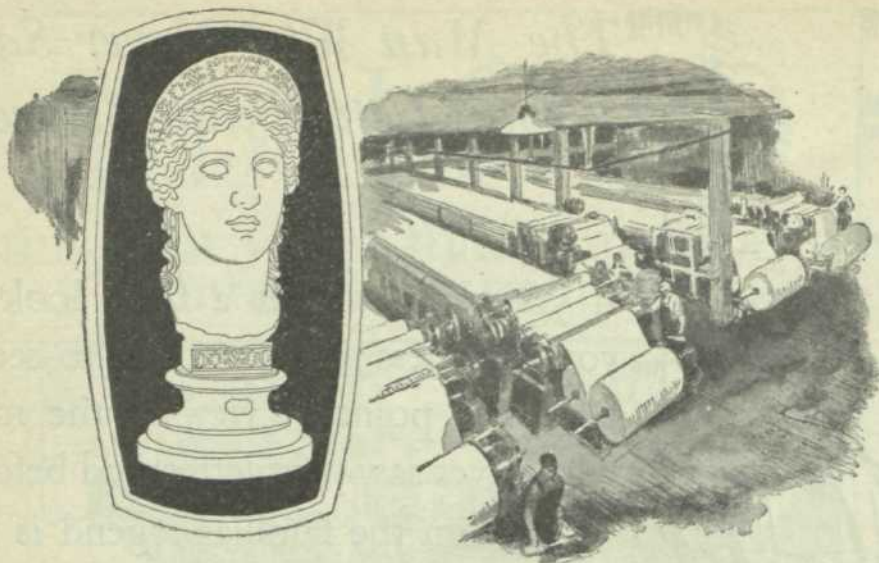
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as the value of the railroads in 1914, the cost-of-reproduction principle would have changed the value of precisely the same structures to 41.4 billions in 1920, 35.1 billions in 1921, 28.3 billions in 1922, and 31.3 billions in 1923. "These huge "profits" and "losses" would have occurred without change in the railroad property devoted to public service other than the theoretical or speculative change derived from a shifting of general price levels."

"In 1920, the transportation burden on the people of the country would have been increased by a sum greater than the present national debt, 'without the investment of a single dollar by those who would reap the benefits.' And any railroad largely constructed between 1920 and 1926 would have lost about 25 per cent of its value.

"Rate increases in 1920, under this doctrine, would have had to be between 75 and 90 per cent, instead of between 25 and 40 per cent, as they were. The rates would have been so high that the railroads, in self-interest, would probably have hesitated to charge them. Under this doctrine, they would, in self-interest, have chosen confiscation. Plainly, a doctrine which leads to such a conclusion is irrational."

"Furthermore, about two-thirds of the investment in railroad property consists of bonds, notes or preferred stock, which is limited to fixed or maximum returns. Additions to valuation through changes in the price level would benefit only the stockholders, and subtractions would injure them primarily, if, indeed, subtractions could ever be made in view of the need for maintaining railroad credit.

"This fact multiplies the possible effect upon common stock of large fluctuations in railroad value. Securities which could have been issued upon the reproduction-cost value in 1920 would have exceeded, by more than 100 per cent, the securities that could have been issued on the same property in 1914, but if these issues had been made, a large part of the stockholders' equity would have been wiped out by the fall in prices since 1920. 'It would be difficult to conceive of any plan more conducive to the encouragement of unrestrained speculation in railroad shares than such a method of valuation.'

"Or difficult to conceive of any plan which, through its effect on freight rates as well as upon securities, would more deleteriously affect business stability."

Board of Trade Baiting

And the Armour Grain Co.

THERE HAS been a lot of mud slinging with the Board of Trade as an objective following the Armour Grain Marketing Corporation investigation. The *Modern Miller* in an editorial insists that the whole trade is libelled because of the alleged misdeeds of one concern. The eighty years of the Board's existence, the millions of dollars worth of business that has been honorably transacted are forgotten. The editorial reads in part:

"There is no defense to offer for a serious breach of business integrity on the part of individual members. The Chicago Board of Trade has been established since 1848 and laid down the business ethics and grain trade integrity which today are the basis of world's trade in grain.

"From a primitive system of grain trade, with primitive methods of accumulation, storage and shipping the requirements of modern commercialism have been developed substantially by the Chicago Board of Trade and copied throughout the world. The complicated requirements of an enormously expanding grain trade have been met by vigor-

Serving Every Man in Industry - Thirteen *Unseen* Workers

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Many records of production common today are possible only because electric motors put into America's factories the equivalent in man power of almost a quarter billion workers. This *unseen* army—the "man power" of motors—has made possible higher wages for every man employed, and yet has pushed down costs and speeded production to a point where America dominates in the competitive markets of the world.

It is not surprising that executives rarely suspect these *unseen* workers of idleness. However, in practically every plant, exist many instances where this "man power" of motors is actually loafing on the job.

You can be sure your *unseen* workmen are *all* producers only by the careful choice of Motor Control. Installing motors merely puts these *unseen* workers at their posts of duty. How well they are employed, how efficiently they work, is determined by the completeness with which the Motor Control you select applies their efforts to the production jobs in hand.

Make sure your plant is obtaining the economies you have a right to expect from electric power. Ask for a check of every motor drive to make certain Motor Control has been correctly chosen. In the purchase of new machinery, in which motors and control are furnished by the machine builder, demand C-H Control. The C-H trade-mark on ALL your Motor Control is your best assurance of efficient, dependable production.

Cutler-Hammer engineers are ready to co-operate with your plant men or consulting engineers in making a survey of your plant to see that Motor Control is correctly chosen for every drive. More than 30 years' experience supports their recommendations, and this service entails no obligation or expense on your part.

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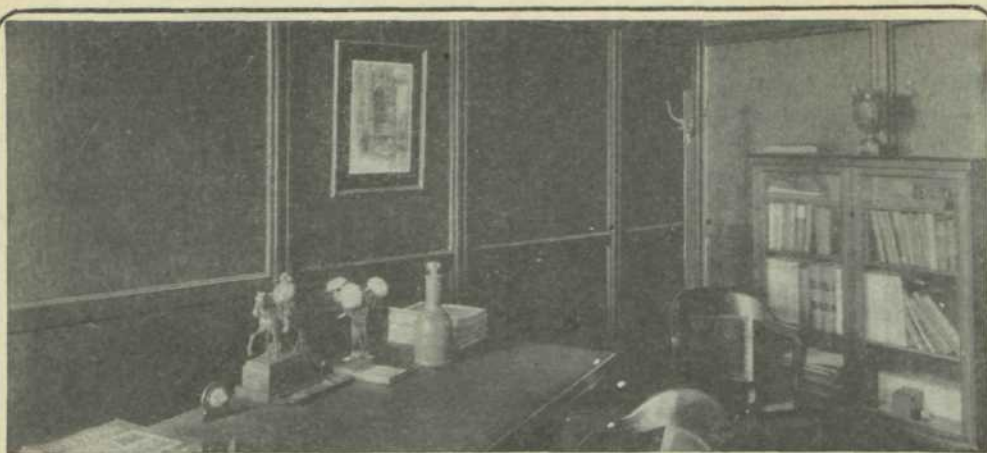
Every man in industry will find this booklet, "Industry's Electrical Progress" interesting and valuable. If you've not received your copy, write today. It's free.

Report 1414—In a steel mill, manually operated Motor Control was used to tilt Bessemer Converters. Correctly gauging the limits of travel was very difficult and the care required resulted in slow operation. Too, when operators were changed, as was frequently necessary, operation was even slower and more hazardous until the new man became familiar with conditions.

Cutler-Hammer engineers recommended the use of C-H Automatic Control with limit switches to gauge the travel of the converters. Now, simply throwing the pilot master control handle automatically accelerates the motor and stops it exactly at the required position. The improved over-all efficiency of each converter and the time saved, in a few months paid for the installation.

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"In the matter of buying, selling and conducting grain business, there were created established rules and exchange by-laws to promote uniformity of customs and to inculcate principles of justice and equity in trade, and the Chicago Board of Trade and the men associated with it have essentially lived up to these rules and regulations to make Chicago what it is, the grain trading center of the world."

Advantages of Mixing

THE CASE has brought out much expression of opinion on the problem of mixing. Much of the opinion is uninformed as to the advantages of mixing which the *Price Current-Grain Reporter* defends in these words:

"In the legislative investigation of the Chicago Board of Trade, a good deal has been said in reference to grain mixing and the thought rather general is that all mixing is reprehensible or perhaps even downright crooked.

"Such is not at all the case. Mixing is a necessity, not only in the grain trade, but in many others as well.

"Pure gold is too soft for most commercial purposes and varying percentages of baser metals are mixed with it, the result being 8, 10, 12, 14 or 18 carat gold as the case may be.

"Mixing in the grain trade means the ability to utilize at a good price a lot more of the farmer's grain than would otherwise be possible.

"Unfortunately crookedness occasionally creeps in and perhaps Board of Trade rules are now too liberal in the matter of mixing and grades deliverable, but in neither event is the the situation such as to call for wholesale condemnation of mixing."

Pressure Soon Kills Unsound

Electrical Holding Companies

IN ITS report on the electrical power industry the Federal Trade Commission pointed out the extent to which pyramiding of holding companies over operating companies had been carried. The Commission stated that this pyramiding affected the financial stability of the electrical power industry. *Electrical World* in commenting on this says: "What the Commission has in mind, of course, is not pyramiding, for a pyramid is very stable. Its strictures are aimed at inverted pyramids, but we know of no holding company in the electric light and power industry of that type. The typical holding company owns all or a majority of the common stock of the underlying company, against which equity it floats its own securities, which in the aggregate do not exceed those of the controlled companies.

"Every industry, however, which is up and doing attracts shrewd manipulators whose chief aim is to get all they can while the getting is good and then to vamoose. There are few such in the electric light and power industry, and fortunately their number is decreasing rapidly. They must work fast because the economics of the electric light and power business are not such as to afford them any continuing stay.

"No man can pay, as some of these have done, eight times the gross, except in very exceptional circumstances, and remain in business. Situations like these soon right themselves as some recent happenings very plainly show, and the industry may view with satisfactory relief the departure of some of these vaunted captains and kings.

"The legitimate holding company need fear nothing except losses by a number of its

underlying companies; the illegitimate holding company is harassed by the bankers from above and the companies below and pressure from both soon kills it."

Story of Frank and Tom

BY OUR OWN HORATIO ALGER, JR.

As Seen by F. P. A., in the New York "World"

FRANK and Tom began life together as traveling salesmen. Frank was a thoroughly earnest youth who left no stone unturned to make his calling a success. He was in bed every night at 10:30, and left a call for 7 a. m. sharp. He was on the doorstep of his first buyer at 8 a. m. Often the buyers tripped over him as they inserted their keys in the front doors in the early morning light. But Frank was there with a cheery "Good morning" and an outstuck hand. His shoes were neatly brushed, his face washed and shining, and his trousers carefully pressed.

The Early Bird . . .

OFTEN the buyers wanted to read their morning mail before seeing salesmen, but Frank's motto was "The early bird catches the buyer," and Frank's plan was not to allow the other salesmen to get there first.

Tom on the other hand, was seldom in bed before 1 a. m. He got up around 9 o'clock, took his time and a cold bath, lit a cigar over his coffee at breakfast, and giggled over the maunderings of some fool columnist.

Around 10 o'clock he sauntered down the line. By that time the buyers were all through saying "NO" to the early birds. They had read their mail, glanced over their stock, and were glad to have somebody come in to talk with them. In this way Tom used to get a lot of orders. And the reason he was never in bed before 1 a. m. was that he used to run around nights with the buyers.

Now Frank knew that there was nothing in this running around stuff. You simply can't run around nights and be on the job in the morning with a clear head. But Frank was sorely beset by the fact that Tom used to fill up three order books while he, Frank, was desperately endeavoring to fill up one. He spoke about this to Tom and he did not like what Tom told him, which was this: "I hate to tell it to you, kid, but, I'm afraid you were all wrong when you wandered so far afield. Take my advice and go back to New York and ask the Old Man to give you an office job. That's your speed."

This made Frank feel angry toward Tom. Frank had a perfect system, but it would not work.

Good Impression on the Boss

SO HE went back to New York, and the Old Man stumbled over him on the doorstep one morning. The Old Man had a passion for getting down early in the morning. It was one of the few passions that the fleeting years had left him. After listening to Frank's explanations he called the salesman and said: "Wilkins, you have been complaining about the amount of work you have to do lately. Take this young man and make him your assistant. And if you got down here as early as I do in the morning you would not need any assistant."

So Frank became assistant salesman. And a year later when Wilkins died Frank got his job. And now he writes sharp letters to Tom and tells him that if he doesn't cut down his expense accounts he will have to look for another job pretty soon. And Tom shows these letters to his intimate friends, the buyers, and says: "What do you know about that? Can you imagine anything like that?"—*El Toro.*

TERRA COTTA

Means

Clean Buildings, Bright Streets



Jefferson Standard Life Ins. Co. Bldg.
Greensboro, N. C.
Charles C. Hartmann, Architect

THE light reflecting properties of the Terra Cotta used to face this building and its readily cleanable surface assure that its towering height will not darken the street and adversely affect property values. This advantage minimizes necessity in zoning height restriction. Build with Terra Cotta.

NATIONAL TERRA COTTA SOCIETY
19 West 44th Street New York, N. Y.

(On behalf of the Terra Cotta Industry in the United States)



Big, heavy speeding trucks have smashed into Anchor Chain Link Fences—only to be brought to a standstill!

What chance have sneak-thieves, tramps, and would-be trespassers—against these unclimbable, impregnable barriers of steel!

Anchor Fences have amazing endurance, too, when pitted against the elements. Their high carbon steel line posts of unequalled strength; copper-bearing steel wire, galvanized after weaving; and other features of construction insure years of protection.

Ask about the new Anchor Square Terminal Post—and the more effective protection it affords.

Anchor Sales and Erecting Service is nation-wide. A phone call, wire or letter puts it at your disposal at once.

ANCHOR POST FENCE COMPANY
9 East 38th St., New York, N.Y.

*Branch Offices and Sales Agents
in Principal Cities*

ANCHOR
CHAIN LINK
Fences

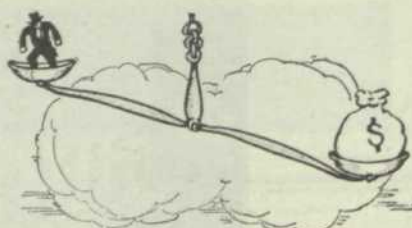


Chips from the Editor's Work Bench

By Raymond C. Willoughby

CARTOGRAPHIC peaks and valleys set up by statisticians of the University of Denver show the relation of local advertising to business conditions in that mile-high town. A sensitive correspondence is readily apparent between the "highs" and "lows" of advertising and the "highs" and "lows" of business, though, in the downward swing of the cycles, the advertising barometer "does not appear to forecast similar tendencies." From its figures, the university concludes that business men reduce their advertising expenditures when trade is dull, a tendency that raises the question "as to whether the opposite policy would not be more effective."

It does seem fairly obvious, as the university puts the case, that during periods of prosperity business is automatically good and a heavy program of advertising will frequently mean increased buying of goods by the merchant and the manufacturer at high prices, the employment of help at high and overtime wages, and the obtaining of credit at high rates. Stocking of goods in anticipation of demand frequently results in the carry-over of high-priced materials to the period of depression and low



demand. It is in periods of retrenchment and depression that increased business would be welcomed by the employer and the employee. As a means to that end, advertising becomes an important factor.

More and more, the volume of advertising is serving as a useful barometer of the state of business. To present its levels regularly along with car loadings, bank clearings and the other orthodox beacons would make plainer sailing for business pilots.

BELIEF that this country is an easy first in the output of inquisitions is jacked up to a new level with the findings of the Department of Commerce that the value of weighing machines increased 12.8 per cent in two census years, from \$24,156,982 to \$27,237,181. To be investigated is as national a characteristic as to be operated on. And what more American than that a citizen weighed in the balance and found wanting should demand a change of scales.

PRINTED in fourteen languages, notice of the annual meeting of the Illinois Power Company gives a new measure to the widening distribution of stock ownership. Along with the text in English, German, French, Greek, Jewish, Italian, Polish, Russian, Hungarian, Dutch, Finnish, Slovak, and Swedish went lines in Chinese. Not that the company knew so much about

its Chinese stockholders, but just by way of making the notice complete, the message in Chinese was included. It is now on the records that those Chinese characters drew several Chinese to the meeting, power and light users all. So cosmopolitan a group of coupon clippers invites fresh application of the philosopher's belief that "interest speaks all sorts of tongues."

BY AWARD of certificates and gold buttons to excelling mechanics employed in the construction of the General Motors Building, the New York Building Congress has shown a public appreciation of the achievement and contribution of the workmen. The craftsmanship of the men so honored was outstanding in the practice of tile setting, glazing, plastering, terrazzo working, lathing, cement finishing, marble setting, painting, carpentry, and wood finishing.

Recognition of this pattern gives impetus to understanding that not all the dignity of labor is in its wage compensation. There is a natural response of pride to the community's appraisal of a job well done. Long has there been acclaim of the organizers of a building project, the architects, the builders, the suppliers of materials. Not so usual is it to give formal notice to the talents of the thousands of workmen who put something of themselves into the building of a great structure.

How much more colorful and convincing would be the symbolism of the corner-stone if it were laid by a mason in his trade character. And what an affirmation of the fitness of things could a carpenter, a bricklayer, or an ironworker represent the actual builders at dedications, and welcome be given by craftsmen who had made the rooms true to their design. Those graceful and generous observances would give labor public assurance that its gifts were esteemed essential to maintenance of the community fabric.

FRANK and revealing are the current advertisements of the charms of short drawers, or "shorts," now "favored by the younger men." Perhaps those who come to scoff will remain to pay. Cut like "track pants," these skimpy garments provide a timely commentary on the pushing pace of this age. It may be that the textile men are giving due notice of the day when traveling light will be a necessity rather than a virtue. Even now, the pulse of our national life takes its rapid beat from the throbbing tempo of the running track.

IT IS NOT too much for Alexander Reaich to say that Bond Street, Britain's glass of men's fashions, no longer tells American tailors what to put on their clients. As chairman of the practical work committee of the National Tailor Designers' Association, Mr. Reaich sees a good deal of men's styles, and for his Association's patriotic shears New York's Fifth

YOUR personal representative— your typewritten letter

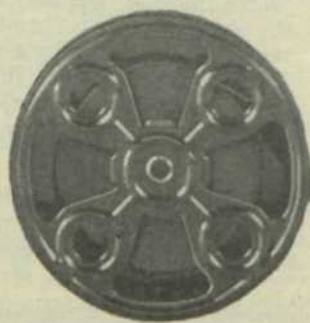


IT speaks for you—gives that touch of individuality that expresses your personality—completes the effectiveness of a go-getter letter at the point of contact.

PANAMA SERVICE
What we know about typewriter ribbons is a knowledge we gladly pass along to you. Your problems are our problems—it is for us to solve them on an economical quality basis.

Panama Bronze Typewriter Ribbons

MANIFOLD SUPPLIES COMPANY
190 THIRD AVE., BROOKLYN, N. Y.
Manufacturers Since 1896



THE LINE THAT CAN'T BE MATCHED



"TELL THE WORLD"

Who, What, Why,
Where, How Much

and all those other questions regarding your products that come up before the finished article reaches the ultimate buyer.

Tags will instruct mechanic, shipper, dealer and public in the cheapest, most efficient manner. But—

Any old tags won't do

They must be well designed and carefully made to reach their destination legible and in company with the article they mark. In a word, they should be Denney Tags.

Here, in the world's largest exclusive tag factory, we have developed the best designs for each particular tag use. We know which papers are good enough for the purpose, and which are too good. Machines of enormous production keep our costs and selling prices down, and skilled workmen keep the quality up.

Attach the coupon to your letterhead and make us prove it.

DENNEY TAGS
WEST CHESTER, PA.



Avenue and the "Boul Mich" of Chicago provide the patterns. It's all on account of the war, he explains—"Americans were too busy to form their own opinions as to what they should wear. But with the war came wealth, and with wealth came leisure. . . . They no longer went to England for clothes."

That the tailors are doing their cross-legged best to make this country clothes-conscious is plain from almost any newspaper. And not only have they rid our backs of foreign yokes, so to say, but they have also made sartorial conquests abroad—"first in Mexico, then in Central America, then in South America." As Mr. Reisch said it, "the entire western hemisphere is typically American in its dress." Perhaps this Alexander of the scissors even now is sighing for another half world to clothe. Once the world were apparelled on the American plan, our tailors could match a British boast with advertising that "the sun never sets on the American suit."

BETTER in business than in college is the dubious appraisal William H. P. Faunce, president of Brown University, puts upon 50 per cent of the young Americans who plan to enter college next fall. From the records of nearly half a century, he finds for readers of the *American Magazine* that most of the boys who go to college are failures in the sense that they fail to graduate, and that other uncounted thou-



sands, though graduated, have simply used up four precious years with no benefit commensurate with the time and money spent.

Severe as the judgment may seem on the lazy-minded and misfit student, by alternative it sets business to the difficult chore of reclaiming human waste, a process somewhat reminiscent of the old notion of judges that the deficiencies of delinquents brought before them should be leveled up by the Army and the Navy.

OUR HARD-BOILED yeggs must have had a better turnover in 1925 than in 1923, for the Census Bureau reports an increase of 31.9 in the value of pocketbooks and purses produced in the two years—\$43,183,755 against \$37,731,725. While this belated rating of bill and coin containers lets in no light on the contents, the figures do imply that the nation's wallet is expanding with more earnings to satisfy increasing yearnings.

WARM COMFORT for the automobile industry radiates from R. H. Grant, vice-president of the Chevrolet Motor Car Company. To his way of thinking, expansion of the industry during the next two or three years will be accomplished through the use of more cars per family. Moreover, the idea of a man taking the transportation

away from his family, just to get to his work and back, will be old-fashioned—"the modern family will have to be served with enough transportation so that all members can get more out of life." With this increased use, he sees the market expanded from 4,000,000 to 4,500,000 cars a year.

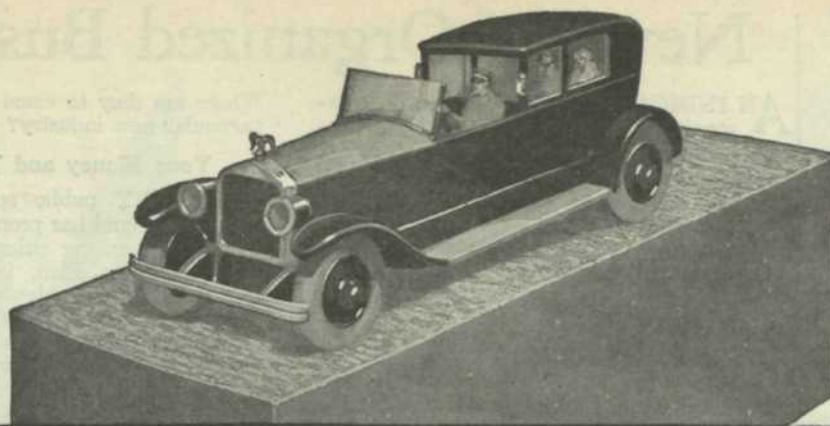
In that vision there is no apparent recognition of a saturation point. Or it may be that a forward look now goes beyond mere saturation to a sort of supersaturation. To be sure, the industry has not really put itself to an intensive cultivation of its sales field, but to look on every member of a family as a potential purchaser seems more in hope than in expectation. For one of the greatest family problems still is whether to have a big equity in a small car, or to have a small equity in a big car.

IN A SERIES of generous and grateful acknowledgments of the products of neighboring industries, the Western Electric Company tells the Pullman Company that "it took vision to put sleeping accommodations on wheels—but vision is the stuff Chicago is made of." That compliment is a graceful invitation to revise the bard's belief that "ambition should be made of sterner stuff."

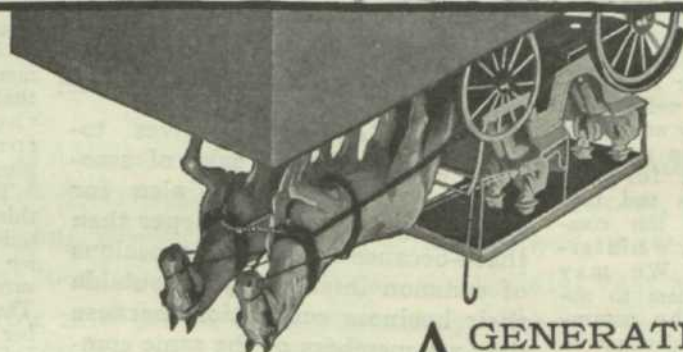
FROM London and Paris come the glad tidings to expectant tourists that hotel and restaurant keepers have laid in new stocks and fixtures to make the wandering American stomach feel at home. Even the familiar fizz of our soda fountains is to be faithfully reproduced at so many shillings or francs a fizz. But the full measure of this new hospitality sparkles in the announcement that meals will be served in ten minutes. Of course, that time allowance may seem no welcoming salute to the hardened addicts of our "automats," but it is just as well for the internal peace of Europe that the bolting championship should remain on this side. Here, the meal-a-minute is regarded only as a casual lip service to be accorded to our mile-a-minute civilization.

WOMEN who care a rip about their hosiery may now buy their stockings in "threes," as well as in pairs. With the "spare" carried in the handbag, women no longer need worry about runs, tears, or spots from spattering motor cars. Apart from its complication of the problem of Christmas giving and receiving, this innovation is a colorful commentary on the high pressure of life in great cities—a "three stocking" girl may be no quicker on the draw than her "two-hose" sister, but the odds just naturally give her the drop. Perhaps men will see in the emergency changes only another reason why telephone booths seem always "busy."

ENGINEERING progress puts us to a new measure of gratitude with the application of Timken bearings to railroad use. A train that can always start "without a ripple in your cup of coffee" is sufficient reason for including "rolling stock" in the company's assets.



TWO SIDED VALUE



Alton Brick Company
 Alton, Ill.
 Binghamton Brick Company
 Binghamton, N. Y.
 Central Clay Products Co.
 (Distributors MACK Paving Brick)
 Wilkes-Barre, Pa.
 Cleveland Brick & Clay Company
 Cleveland, Ohio
 Clydesdale Brick & Stone Co.
 Pittsburgh, Pa.
 Coffeyville Vitrified Brick & Tile Co.
 Coffeyville, Kans.
 Collinwood Shale Brick Company
 Cleveland, Ohio
 Francis Vitric Brick Company
 Boynton, Okla.
 Georgia Vitrified Brick & Clay Co.
 Augusta, Ga.
 Globe Brick Company
 East Liverpool, Ohio
 Hysylvania Coal Co.
 Columbus, Ohio
 Hocking Valley Brick Company
 Columbus, Ohio
 Independence Paving Brick Co.
 Independence, Kans.
 Metropolis Paving Brick Co.
 Pittsburg, Kansas
 Metropolitan Paving Brick Co.
 Canton, Ohio
 Mineral Wells Brick Co.
 Mineral Wells, Texas
 Moberly Paving Brick Company
 Moberly, Mo.
 Murphysboro Paving Brick Co.
 Murphysboro, Ill.
 Nelsonville Brick Co.
 Nelsonville, Ohio
 Peebles Paving Brick Company
 Portsmouth, Ohio
 Purington Paving Brick Company
 Galesburg, Ill.
 Southern Clay Mfg. Company
 Chattanooga, Tenn.
 Springfield Paving Brick Company
 Springfield, Ill.
 Sterling Brick Company
 Olean, N. Y.
 Streater Clay Mfg. Company
 Streater, Ill.
 Thornton Fire Brick Co.
 Clarksburg, W. Va.
 Thurber Brick Company
 Ft. Worth, Texas
 Toronto Fire Clay Company
 Toronto, Ohio
 Trinidad Brick & Tile Company
 Trinidad, Colo.
 Veedersburg Paver Company
 Veedersburg, Ind.
 Western Shale Products Company
 Fort Scott, Kans.
 Westport Paving Brick Company
 Baltimore, Md.

A GENERATION of service from one surface—then a lifting and reversing of the pavement with the bricks other side up and another generation of service ahead!—that's the story of scores of vitrified brick pavements laid 25 to 35 years ago. Citizens of Wheeling, W. Va., Butler, Pa., Omaha, Neb., Bucyrus, Ohio, St. Petersburg, Fla., Tonawanda, N. Y., Lynchburg, Va., and scores of other cities are profiting by the practically 100% salvage value of vitrified paving brick. How about your community?

VITRIFIED
Brick
PAVEMENTS

OUTLAST THE BONDS

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION, ENGINEERS BLDG., CLEVELAND, OHIO

When writing to NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION please mention Nation's Business

Saved: \$11,800 Net!



"Every year our FINNELL equipment saves us \$11,800 net," says James Collins, manager of the Peoples Gas Building, Chicago. This is how he figures:

Floor area—81,600 sq. ft. of white Alabama marble. Would require at least *twenty-two* scrubwomen to do the job being done by *seven* men with FINNELL equipment. Total cleaning cost is 17 cents per sq. ft. per year. With scrubwomen the cost would be 32 cents per sq. ft. Saved: \$11,800 net. Spotless cleanliness greets tenants every morning. Building 100% rented for the last 10 years.

Free Booklet Explains Value to You

Regardless of size of floor area—in factory, office, store, bank—one of the eight FINNELL models can save you money and pay dividends in improved conditions. Send for the detailed booklet, "Your Questions Answered by Users." If you wish free estimate of equipment needed and possible saving, enclose description of floors, area, present maintenance cost. FINNELL SYSTEM, Inc., 46 East Street, Elkhart, Ind. (District Offices in Principal Cities.

Factories: Elkhart, Ind. and Ottawa, Can.)



Memo

Just a reminder to have your secretary write . . . now.

[There is also a Household FINNELL. If interested ask for booklet, "Beautiful Floors."]

IT WAXES
IT POLISHES
IT SCRUBS



FINNELL

ELECTRIC FLOOR MACHINE

News of Organized Business

AN INDICATION of the new era in community promotion of industrial expansion is shown by the Declaration of Policy with reference to New Industries of the Roanoke, Virginia, Chamber of Commerce. This chamber places its new industries seeking efforts squarely on the ground of the economies of location that the community has to offer legitimate enterprise.

Why do we want more factories in our communities? We may want them because we are interested in the increased business which additional pay rolls bring. We may want them because we are interested in the civic progress which a prosperous and growing community makes practical. We may want them because we are interested in real estate values. We may want them to complement existing industries, and thus give the people of the community a firmer basis for their economic well being. We may want them to create a nearby market for farm products and thus prosper the community's hinterland. We may want them to absorb the unemployed elements of the working class and thus balance the labor situation. We may want them just out of sheer pride of being in a growing city.

Whatever the reason, we start out initially with a desire for more factories. Our first mental work is to pour the acid of analysis on this desire. Without a little thought chemistry of this kind, our desire will drive us into many an unhappy experiment.

Governor Brewster of Maine recently advised the communities of his state to place their promotional activities on careful and adequate surveys. The governor's advice is to the point. Find out what you have to sell and then build your plans for selling it.

What may a community have to sell to outsiders? It may have subdivisions for building residences. It may have facilities for vacationists. It may have available good farm land around it. It may have openings for commercial enterprise. It may have opportunities for investment. It may have facilities for factories or branch plants. It may have a desirable location for sales offices, assembling plants, and warehouses. It may have just one or two or it may have all of these things.

What has your community to sell? is the first question to answer. If yours is primarily a suburban community, with residential possibilities, then do not try to sell your community to new industries. You might succeed and destroy more values than you create. If your community is primarily a service station of an agricultural district, then do not clamor for more smokestacks. Improve your service facilities and foster your agricultural industry.

But if yours is a community which has facilities for new manufacturing, then carry your analysis to the heart of the matter. What new manufacturing industries?

Where are they to come from? Why this particular new industry?

Your Money and Your Life

THE MANY public spirited enterprises that Cleveland has promoted has given it a place apart among cities. Its community Fund, its Group Plan, its Public Library system are all examples of charitable and philanthropic enterprises that have become models for other cities throughout the country. The latest enterprise is, to quote its announcement:

Now is launched a campaign in which every thoughtful citizen should be interested—a campaign designed to create and conserve wealth; to increase estates through sound principles; to safeguard Cleveland dollars against unproved investment schemes; to protect the recipients

of life insurance money in a manner that will result in their greater comfort and contentment.

The first step in this campaign is the publication of a booklet on the Life Insurance Trust Plan. The Cleveland Chamber of Commerce appointed a committee of representatives of both life insurance and trust companies to conduct an educational campaign that has as its aim the saving of the millions of dollars that Cleve-

landers lose each year through unwise expenditures.

For the Thinking Secretary

ENROLLMENT has begun for the 1927 session of the National School for Commercial and Trade Organization Executives which will be held at Northwestern University from August 22 to September 3. The seventh year of the school finds it with a faculty of fifty-six men including noted instructors from leading universities and some of the best and most experienced commercial and trade organization secretaries in the country.

The success of the school has exceeded the expectation of its founders. It provides two weeks of intensive training for the experienced commercial organization or trade association executive, his assistants, and young men and women who are preparing to enter the secretarial field. It is devoted entirely to the technique of commercial and trade association work, providing a valuable interchange of ideas.

Its courses are comprehensive and have been found to be of great value by the pupils who have been graduated from the school. The courses are all of a practical nature, and they are given by men who are actively engaged in commercial or trade organization work.

The fundamental courses that will be given this year include the principles of economics, a presentation of current economic problems, the A B C of public finance and taxation, the theory of marketing and distribution, legislation, the industrial development of the United States, accounting and financial analysis, the application of psychology to commercial and trade organization work, efficiency in

Magnetic

Industrial Los Angeles County

MANY strong factors are drawing manufacturers and distributors here: Industrial freedom; low overhead; all-year working climate; cheap power, water and natural gas; local and imported raw materials; vast system of rail, water and truck transportation; dense, close-in market of 2,500,000 and a western tributary market of 11,000,000 people. This combination of factors makes Los Angeles County the Industrial Magnet of the West.



Specific information regarding manufacturing opportunities and distribution advantages in Los Angeles County may be had by writing the Industrial Department, Los Angeles Chamber of Commerce.

INDUSTRIAL LOS ANGELES

Los Angeles Metropolitan Area: 2,000,000 People; 5700 Industries; Annual Output Value, \$1,250,000,000

The Great Interpreter

Another important factor in the betterment of American business is the enlightened attitude of modern business men toward the helpful service of Modern Accountancy.

Day book and ledger—mute in their dry old pages of yesterday—are alive and eloquent today. Figures are made to talk—talk all the time; and Modern Accountancy is the Great Interpreter.

Progressive Business takes no step without this Great Interpreter. In the Budget "he" lives and guides. His sure and constant hand controls the throttle of costs. His outlook on trade and financial conditions is the basis of the most practical kind of vision.

He analyzes—arranges—coordinates. He balances, stabilizes and compels improvement. Management is *his* steward. He is the material brain of executive control.

Modern Business, and the modern commonwealth, owe much to this Great Interpreter. And the pleasantest thought is that *both* are so willing to listen and so eager to accept his interpretation.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	DALLAS
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	LOUISVILLE	ST. LOUIS	WACO
WASHINGTON	DAYTON	ATLANTA	KANSAS CITY	DENVER
BUFFALO	MEMPHIS	MIAMI	OMAHA	SAN FRANCISCO
ROCHESTER		TAMPA		LOS ANGELES

letter writing, speaking, and printed matter. A new feature of this year's session will be two seminar courses for post-graduates and students which will be given simultaneously. One will deal with city planning, and the other with congestion in cities and methods for its avoidance and relief.

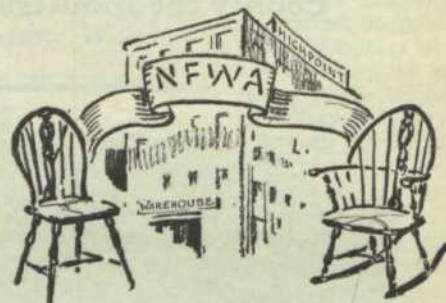
The school is not run for profit. The tuition—\$30 for two weeks or \$20 for one week—covers only costs, and the best accommodations and food are provided by Northwestern University at moderate cost. The location of this institution on the shores of Lake Michigan and its equipment, with all the appliances for outdoor recreation, will provide students with an agreeable two-weeks vacation in addition to the instruction which they will receive.

The Secretary of the School is John N. Van der Vries, 134 North LaSalle Street, Chicago, Illinois. The chairman of the Attendance Committee is Hugh Lynch, 233 Broadway, New York City.

Trade Lexicography

COMPOSED of 850 of the leading concerns in the United States, Canada, and Great Britain engaged in the cartage, shipping, packing, and storage of household goods, the National Furniture Warehouseman's Association's membership represents an investment of approximately \$350,000,000 and furnishes employment to over 25,000 people. A letter from the association's secretary, Mr. Reimers, says in part:

Like many other lines of endeavor, there is a good deal of romance connected with the development of our business. Practically every individual at the head of a



concern today at one time drove his own team. . . . The members of this association are carefully selected as to soundness financially, responsibility and local standing. If a member fails to meet his financial obligations, the Association's Code of Ethics, or otherwise deviates from a high order of business conduct, he is promptly expelled from membership.

Some of the activities that the association is promoting are: the preparation of an accounting manual and forms, specifications for shipping and packing, standard contracts, advertising service, reduction of premiums and the wholesale purchase of insurance for members.

* * *

Reports from the National Paving Brick Manufacturers' Association show that 100 per cent of the industry cooperate in furnishing data on shipments of brick. The highest previous record was 97 per cent of the industry reporting. The paving brick industry was the first one to take up with the Department of Commerce the problem of simplification of sizes and varieties. The first conference held in 1921 eliminated 55 of 66 types of brick then existing. One of the sizes that was eliminated was the 2½-inch brick which has since been reinstated in the list of recognized sizes and types. This reinstatement is evidence that simplification and



Community Advertising
Specialists

Communities served from Fairbanks, Alaska, to cities in Florida.
Send for questionnaire for tentative survey of your city.

Bott Advertising Agency

Little Rock, Arkansas

Figures in a Hurry—
Not Hurried Figures

Send your inventory and other emergency computations to a skilled organization of public calculators. 48-hour accurate service.

ATLAS CALCULATING SERVICE
19 W. Jackson Boul. Chicago, Ill.

By having the latest improved devices we can
save you 25% on your MULTIGRAPHING.

LITHOGRAPHED LETTERHEADS

\$1.25 per 1000

COMPLETE
DELIVERED—F.O.B. NEW YORK
In lots of 50,000 - \$1.50 in lots of 25,000
\$1.75 in lots of 12,500-\$2.25 in 6,250 lots
**ON OUR 20 LB. WHITE
PARAMOUNT BOND**
A Beautiful, Strong, Snappy Sheet
GEO. MORRISON COMPANY
553 W. 22nd St. New York City
BOOKLET OF PAPER AND ENGRAVINGS ON REQUEST

standardization do not retard or curtail progress and the development of new ideas through research and experiment.

What the direct connection between inter-industrial competition and simplified practice is, no one has as yet worked out, but nevertheless this association feels that simplification has been of great benefit to it and it knows that its business has grown in a manner highly gratifying.

* * *

A convention with no resolutions is unique, we believe. The officers and members of the American Drug Manufacturers' Association at their sixteenth annual meeting decided that there is little good in wordy declarations of intent or opinion and that the things that need doing should be recorded when they are done.

According to the *Oil, Paint and Drug Reporter*, "they reached this decision with a clear realization that these are rapidly changing times, bringing sudden and frequent changes in matters of practice and policy, which cannot always be foreseen. So they chose not to set themselves up as arbiters of the unknown future."

Another decision of the committee was to do away with large scientific committees dealing with a multitude of more or less closely related problems. In place of the large committee, small committees are to be allotted specific problems.

* * *

To build up a long time marketing program is one of the important projects that the United Typothetae of America is undertaking. Its purpose is to teach the printer more of market analysis, salesmanship and merchandising. One of the first definite activities to grow out of this program is the plan for teaching 1,200 salesmen of printing through a series of salesmen's conferences. Another of the important activities of the United Typothetae is the accumulation of confidential statements of assets, liabilities, income, expenditures, and hour costs of the membership in order to compile ratio tables and composite statements with which members may compare their own statements. These statements represent an aggregate of over fifty million dollars of business.

Defining Metropolitan Regions

POLITICAL boundaries no longer define the real city. The automobile, the telephone, and other distance diminishing agencies have extended the real city of today out over a large metropolitan area.

Small cities, medium sized cities and large cities all are larger than the area governed from city hall.

A clear definition of such metropolitan areas, capable of application to all situations, is still to be worked out.

There are, however, certain considerations that should be borne in mind when drawing the boundaries of a metropolitan region; i.e., it is an area within which the conditions of manufacturing, trade, transportation, labor and living, in brief the daily economic and social life, are predominantly influenced by the central city.

Factors that should be taken into account are that it is an

Area in which long-distance freight rates are the same,

Area within switching limits,

Area enjoying the same power service,

Area in which retail stores make free delivery,

Area covered by local and suburban telephone service,

Area within commuting distance.

All of these factors need not apply, but certainly several of them should, for the pur-

Might you not as well hire this



man as to expect your employees to keep accurate records without the proper recording equipment?

NO BUSINESS CAN SUCCEED TO THE EXTENT OF ITS POSSIBILITIES UNLESS ITS DIRECTING HEAD HAS ALL THE FACTS ABOUT THE BUSINESS AT HIS INSTANT COMMAND!

YOU CAN HAVE THESE FACTS IF YOU INSTALL

EGRY COM-PAK REGISTER

Adapted to issue continuous length Roll or Fold-Pak Forms



- 1 Produces two to six copies to the set at one writing. Sufficient copies, all in the handwriting of the recorder, are thus always available for all requirements.
- 2 Bills are printed to meet the needs of all departments using Com-Pak.
- 3 Every set of bills is consecutively numbered and punched for filing, and issued instantly in perfect register by one easy turn of the register handle.
- 4 Every record is complete and thoroughly informative of all transactions.

Widely Used By

WHOLESALE
RETAILERS
TRADESMEN
INSTITUTIONS
PROFESSIONAL MEN
ASSOCIATIONS
PUBLIC OFFICES
MANUFACTURERS

CHECK the ways in which the EgrY Com-Pak can be used in your business

- | | | |
|--|--|--|
| <input type="checkbox"/> Cash Sales | <input type="checkbox"/> Production Orders | <input type="checkbox"/> Shipping Orders |
| <input type="checkbox"/> Charge Sales | <input type="checkbox"/> Invoices | <input type="checkbox"/> Bills of Lading |
| <input type="checkbox"/> Received on Account | <input type="checkbox"/> Delivery Bills | <input type="checkbox"/> Express Receipts |
| <input type="checkbox"/> Paid on Account | <input type="checkbox"/> Receiving Forms | <input type="checkbox"/> Parcel Post Forms |
| <input type="checkbox"/> Receipts | <input type="checkbox"/> Back Orders | <input type="checkbox"/> Bank Orders |
| <input type="checkbox"/> Refunds | <input type="checkbox"/> Interhouse Orders | <input type="checkbox"/> Repair Orders |
| <input type="checkbox"/> Telephone Orders | <input type="checkbox"/> Packing Lists | <input type="checkbox"/> Work Orders |
| <input type="checkbox"/> Stock Records | <input type="checkbox"/> Tool Requisitions | <input type="checkbox"/> Cost Records |
| <input type="checkbox"/> Delivery Tickets | <input type="checkbox"/> Stock Room Receipts | <input type="checkbox"/> Way Bills |
| <input type="checkbox"/> Purchase Orders | <input type="checkbox"/> Stock Requisitions | <input type="checkbox"/> Telegrams |
| <input type="checkbox"/> Receiving Forms | | <input type="checkbox"/> Credit Memos |

After checking, write your name below, clip this panel to your letterhead and mail. We do not obligate yourself in any way by so doing. We will send you added facts, with actual forms, showing how the EgrY-Com-Pak can be used in your business for the purposes checked. If you desire specific information about other uses, specify and we will forward information. The Com-Pak is built for hard, speedy continuous work. It saves time and labor in every department, and is one of the greatest mechanical protectors of profit used in business.

Your Name _____

Dept. A



THE EGRY REGISTER COMPANY

Dayton, Ohio



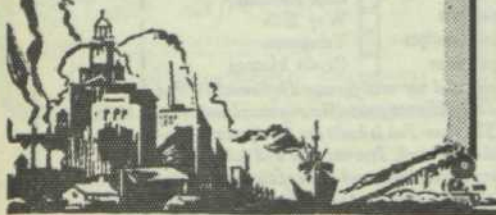
Labor Can Live Cheaper in New Orleans



Because of the mild climate—the mean annual temperature of New Orleans is 68 degrees—54½ degrees in the coldest month—houses do not have to be warmly built. This, together with the cheapness of lumber, makes rents lower. Families do not require so many clothes or so many warm clothes. This reduces the cost of living. As a consequence, labor can live as well as it does in other parts of the United States, and work for lower wages. Other cities of the Southern country may have the climatic advantages, but New Orleans is the only metropolis. This is important from a labor standpoint, because it means a floating supply of labor and the other advantages that a great metropolis offers to large enterprises. Labor can live contentedly in this great Southern city, and there is abundance of it.

Locate your plant at New Orleans, and produce your goods cheaper and more efficiently, and at greater profit.

Write for information
Address Room 202



NEW ORLEANS

ASSOCIATION of COMMERCE



Where production costs are lower

pose is to include such territory and only such territory as, to emphasize what has been said before, forms a part of the daily economic and social life of the metropolitan center by being the place of residence of city workers or the location of industries that center in the city.

At a recent meeting of industrial bureau managers at the National Chamber the practical value of the definition of metropolitan regions was brought out. The aid of the Census Bureau is being sought in securing for the 1930 census the data which will present a true picture of each city's industrial and business importance.

An effort will be made to have every city of 50,000 or more population which has an outlying urban district draw the boundaries of its metropolitan region so that the Census Bureau can have a definite territory on which to work.

The Civic Development Department of the National Chamber has sent a copy of the report adopted by the industrial bureau managers to local chambers of commerce suggesting that if they are interested in the 1930 census figures they should take the initiative in drawing region boundaries.

Why Accidents Are Few

KANSAS CITY, Kansas, was the scene of 16 motor car fatalities in 1925 and but four in 1926. The population of the city is 126,471. In the county there are 30,000 motor cars, of which about 90 per cent are within the city limits. The low death rate is interesting and the knowledge of its causes might be of help to other cities. The local Chamber of Commerce analyzed the situation and gave these reasons in order of their importance:

1. Education. The campaign of Safety First in the schools has been carried on in an extensive way.

2. Playgrounds. The city covers an area of 22 miles which means a sparsely settled condition leaving many lots for children to play on instead of being forced to play in streets.

3. Enforcement. All cases of careless driving are prosecuted from the lowest to the highest courts.

4. Traffic control. Safety signals and street markers are installed at all dangerous intersections.

5. Kansas City, Kansas, is a city of home owners ranking sixth in this country. Chil-



dren are a part of most homes. This results in a desire to avoid litigation through damage suits and to protect their own children from injuries.

6. Wide streets.

In case the impression might be gathered that this city has no traffic congestion problem, it might be noted that during the peak hours several corners show a traffic count of 26 cars per minute.

Coming Business Conventions

(From Information Available May 1)

Date	City	Organization
May 30, 31	French Lick Springs, Ind.	American Boiler Manufacturers Association

June	City	Organization
1.....	New York.....	Manufacturing Chemists Association.
1- 3.....	Undecided.....	Artistic Lighting Equipment Association.
1- 4.....	West Baden, Ind.....	Heating and Piping Contractors National Association.
2- 4.....	French Lick, Ind.....	National Association of Direct Selling Companies, Inc.
3- 6.....	Lake Placid, N. Y.....	National Association of Sheet and Tin Metal Manufacturers.
Wk. of 5th.....	Omaha, Neb.....	National Editorial Association.
Wk. of 5th.....	Chicago.....	Band Instrument Manufacturers Association.
Wk. of 6th.....	Chicago.....	National Musical Merchandise Association of the United States.
Wk. of 6th.....	Chicago.....	Music Industries Chamber of Commerce.
6- 7.....	St. Louis, Mo.....	National Federated Flour Clubs.
6- 8.....	Detroit.....	National Retail Coal Merchants Association.
6- 8.....	Tulsa.....	American Association of Engineers.
6- 8.....	Washington.....	American Institute of Quality Surveyors.
6- 9.....	Chicago.....	National Association of Music Merchants.
6- 9.....	Grand Rapids.....	National Association of Purchasing Agents.
6- 9.....	White Sulphur Springs.....	National Fertilizer Association.
6-10.....	Chicago.....	American Foundrymen's Association.
6-10.....	Atlantic City.....	National Electric Light Association.
6-10.....	Chicago.....	Water Works Manufacturers Association.
6-11.....	Chicago.....	American Water Works.
6-11.....	Dallas.....	Association of Operative Millers.
6-11.....	Louisville.....	National Association of Credit Men.
6-12.....	San Francisco.....	Pacific Foreign Trade & Travel Exposition.
7- 8.....	Atlantic City.....	National Association of Piano Bench and Stool Manufacturers.
7-10.....	Asbury Park.....	American Surgical Trade Association.
7-10.....	West Baden Springs.....	Linen Supply Association.
8.....	Chicago.....	Foundry Equipment Manufacturers Association.
8.....	Chicago.....	Wholesale Sash and Door Association.
9-11.....	French Lick Springs.....	American Feed Manufacturers Association.
9-11.....	Chicago.....	National Association of Office Managers.
10.....	Spokane.....	Pacific Northwest Advisory Board, American Railway Association.
13.....	Asheville.....	American Dental Trade Association.
13-15.....	Toronto.....	Life Insurance Sales Research Bureau.
13-17.....	Detroit.....	National Association of Building Owners and Managers.
13-17.....	Detroit.....	Southern Supply and Machinery Dealers Association.
13-17.....	Detroit.....	American Supply and Machinery Manufacturers Association.
13-18.....	Hot Springs, Va.....	National Electrical Manufacturers Association.
14.....	Kansas City, Mo.....	Southwestern Interstate Coal Operators Association.
14-16.....	Virginia Beach.....	Southern Wholesale Dry Goods Association.
14-16.....	New London.....	New England Coal Dealers Association.
14-17.....	Santa Cruz.....	Pacific Coast Electrical Association.
15.....	Wichita.....	Trans-Missouri-Kansas Shippers Advisory Board.
15-16.....	Minneapolis.....	Northwestern Association of Mutual Insurance Companies.
15-17.....	Chicago.....	National Coal Association.
16.....	Milwaukee.....	American-National Fox Breeders Association.
16-17.....	Philadelphia.....	American Automobile Association.
17-18.....	Asheville.....	Southern Textile Association.
20-23.....	Omaha.....	National Association of Retail Grocers of the United States.
20-23.....	Omaha.....	National Wholesale Grocers Association of the United States.
20-24.....	Chicago.....	National Saddlery Manufacturers Association.
20-24.....	Chicago.....	Wholesale Saddlery Association of the United States.
20-24.....	French Lick Springs.....	American Society for Testing Material.
21-24.....	Salt Lake City.....	Northwest Electric Light and Power Association.
21-24.....	Seattle.....	Pacific Northwest Stationers Association.
22-24.....	Cleveland.....	American Association of Nurserymen.
22-24.....	Chicago.....	Plywood Manufacturers Association.
26.....	Denver.....	Public Utilities Advertising Association.
26-28.....	Denver.....	National Association of Theatre Program Publishers.
26-30.....	Denver.....	Association Advertising Clubs of the World.
26-30.....	Denver.....	International Advertising Association.
26-30.....	Denver.....	The Baltimore, Md., Advertising Commission.
Wk. of 27th.....	Portland.....	Automotive Equipment Association.
27.....	St. Louis.....	The Stained Glass Association of America.
27-28.....	Detroit.....	Wholesale Grass Seed Dealers Association.
27-30.....	Detroit.....	International Stamp Manufacturers Association.
27-30.....	Mackinac Island, Mich.....	National Retail Hardware Association.
28-30.....	Detroit.....	American Seed Trade Association.
28-July 1.....	Montreal.....	National Cigar Box Manufacturers Association.

When writing to NEW ORLEANS ASSOCIATION OF COMMERCE please mention Nation's Business

The Development Service of Southern Railway System, Washington, D. C., will gladly aid in securing industrial locations, farms and home sites in the South.



Eggs in many baskets

Thanks to the variety of Southern soil and the favorable climate, probably no other similar area on earth can show a greater range of products.

Cotton, it is true, is the South's largest crop, but the value of cotton and cotton seed amounts to only 25 per cent of the total value of Southern agricultural products, which last year exceeded three and one-half billion dollars. There are also corn, tobacco,

wheat, and a wide variety of fruits and vegetables—all east of the Mississippi and south of the Ohio.

The average farm in the South is one of about 70 acres. On this the Southern farmer can plant cotton, grow grain and raise tobacco, fruits, vegetables, and dairy herds and poultry.

This diversity yields him a stable income—he has his eggs in many baskets.

The volume of freight traffic which the railroads of the country were called upon to handle between 1916 and 1926 increased 23 per cent. In the same period the freight traffic which the Southern Railway System was called upon to handle increased 48 per cent.

SOUTHERN

RAILWAY SYSTEM



THE SOUTHERN SERVES THE SOUTH

When writing to SOUTHERN RAILWAY SYSTEM please mention Nation's Business



The Yield of the Years

A thousand thousand whirring machines—acre upon acre of busy factories—hundreds of leagues of track—power houses—mines—telephone systems . . .

We've studied them all (in nearly 40,000 appraisals), turned them inside out, put them under the microscope of intensive investigation, learned their peculiarities, gauged their merits.

Nowhere is there another organization that knows property so thoroughly, that speaks on value with such authority.

The American Appraisal Company

MILWAUKEE

Public Utilities • Industrials • Real Estate Properties • Natural Resources

A NATIONAL ORGANIZATION

Your Friends Will Want This Useful Publication

Entertainingly written and fully illustrated, the EXTRA EDITION* of NATION'S BUSINESS, just published, will be read and re-read for the useful information it contains.

The EXTRA EDITION contains experiences, observations and conclusions which every business man can fit into his own business and its needs.

It is a publication of permanent value, an encyclopedia of current business facts.

NATION'S BUSINESS subscribers will receive the Extra Edition free. Additional copies for you to give to your customers, employes, business friends, legislators, or others, may be secured at a slight cost,—10 cents each.

We are prepared to address and mail the copies you order at no extra charge,—or will send them to you in bulk as you direct.

* A 64-page publication containing all the addresses and discussions at the Fifteenth Annual Meeting of the United States Chamber of Commerce in Washington, May 3, 4, and 5.

NATION'S BUSINESS, Washington, D. C.

A Mild Protest

Editor, *Nation's Business*.

DEAR SIR: In NATION'S BUSINESS for April, 1927, there appears an article by Mr. William Feather entitled "The Not So Good Old Days." The article is all right in many respects, but a younger generation reading would think that in the days of yore people lived rather bestial lives, with nothing in existence to compare with the present age. No one will deny that there are many useful and wonderful inventions now in use that were not dreamed of a century ago, but such inventions are not unmixed blessings.

Light provided by incandescent bulbs is fine, but more people are obliged to wear glasses to overcome eye strain. The telephone makes it possible to talk with one far away, but its inventor considered the instrument a nuisance and would not have one in his house. A gas furnace regulated by a thermostat is good, but when the gas pressure goes down from any cause, one cannot throw a couple of sticks of wood on the fire and get heat promptly, and the labor required to cut the wood was much less than that required to mine the coal and produce the gas.

A music cabinet is desirable and furnishes much entertainment when it is not grinding out jazz, a horrid combination of tones called music. The music it produces can be no better than that written by Mendelssohn, Strauss, Wagner or Verdi, or the songs of Jennie Lind, Clara Louise Kellogg, Adelina Patti, or Madam Gerster, Brindisi, Campanini, Whitney and others of the olden time.

We have the movies now, but how about our old friends Jos. Jefferson, Edwin Booth, Lawrence Barrett, John McCulloch, Ada Rehan, Mrs. John Drew and others that have passed on.

Recalling the names of Jefferson, Hamilton, Webster, Roosevelt, Root and Wilson, are our children getting any better education than those men acquired fifty or one hundred years ago? Our book shelves are loaded with books but among them all there are no better writers than Dickens, Thackeray, Bulwer Lytton or George Elliott.

We have the auto with which we killed 26,000 and maimed nearly a half million persons last year. We speed about the land covering in an hour a distance that would have required a day to cover fifty years ago, but we have neither the time nor opportunity to "see sermons in stones, books in the running brooks, and God in everything." Although it must be acknowledged that the holdup man and bootlegger now have first-class transportation.

In short, although we have gained many things during the last century, we have also lost much we can never regain, and are not living in paradise by any means; and when we older people recall those persons and things that were parts of our lives fifty or sixty years ago, but have now departed never to return to us or our descendants, we still feel that, in spite of Mr. Feather, we are justified in saying "Those Were Good Old Days."

MORGAN L. MARTIN, *Detroit, Mich.*

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

INCREASED EFFICIENCY and economy in the distribution of groceries and other merchandise in various sections of the United States

may result from the use of the Atlas of Wholesale Grocery Territories issued by the Department of Commerce. The

atlas was designed primarily for the grocery trade, but it is also of value to many allied lines. It was prepared with the cooperation of the largest grocery associations in the country.

The atlas disregards entirely political marketing division and instead divides the country into wholesale marketing areas based on the size and facilities of the various distributing centers. Information was obtained from more than 3,000 wholesalers. Included in the basic information are data on the number of salesmen employed, local territory covered, number of delivery trucks used, and zones of truck delivery. The information thus obtained was correlated with freight-rate schedules and population statistics, and the relative size of wholesale establishments and their individual transportation facilities were carefully weighed.

While the atlas is primarily concerned with grocery distribution, the market maps and trading population statistics developed in this study from basic economic factors are equally applicable to other lines using the wholesaler in their distribution. Supplementing the sixteen large color maps of trading areas are detailed marketing statistics by towns, counties and trading areas. These data, showing the retail outlets and trading population tributary to each major distributing center, make possible a scientific planning of sales territories, the establishment of sales quotas, and the allocation of advertising.

Copies of Atlas of Wholesale Grocery Territories, Domestic Commerce Series No. 7, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for \$1.25 a copy.

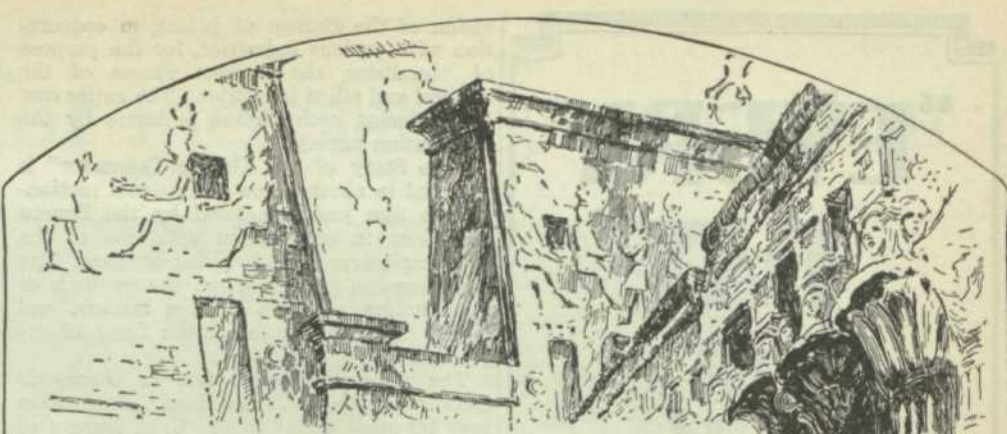
HOW ONE OF THE WORLD'S most universal and essential metals is mined and treated is developed in an 8-reel educational film, "The

Story of Copper," issued by the Bureau of Mines in cooperation with one of the large copper-producing companies. The

film is in five parts, depicting prospecting, mining, milling, smelting, and refining methods. Mines and mills in Alaska, Montana, Michigan, Utah, Nevada, and Arizona, as well as smelters and refineries in different localities, were visited in the preparation of the film.

The American Petroleum Institute has appropriated \$25,000 for the making of a film by the Bureau of Mines dealing with the production, transportation, and marketing of petroleum. It is planned to start work on this picture in the near future. The making of the film will require several months time.

These two films form a part of the Bureau of Mines' collection of 46 subjects. These films have been produced under the super-



Egypt, Temple of Isis Philae.

This Lifetime Trip Round the World at 11.37 per day

Enjoy 110 days of glorious adventure—visit 22 ports in 14 countries—for about what it costs you to live at home. The fare includes meals and first cabin accommodations on a palatial President Liner.

You see Yokohama, Kobe, Shanghai, Hong Kong, Manila, Singapore, Penang, Colombo, Suez, Port Said, Alexandria, Naples, Genoa, Marseilles, Boston, New York, Havana, Cristobal, Balboa, Los Angeles and San Francisco. Honolulu, too, if you choose.

You visit cities of great charm in countries of world importance. See strange peoples, quaint customs, unique architecture.

There is time for sightseeing during the ship's stay at each port. Or you may stopover at any port for two weeks or longer if you like.

The ships are luxurious and steady. Wide decks. Beds not berths. The excellence of the cuisine is a feature.

A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient (via Honolulu) and Round the World. From Boston and New York there are fortnightly sailings for the Orient via Havana, Panama and California.

An American Mail Liner sails every fourteen days from Seattle for Japan, China, Manila.

From Naples, Genoa and Marseilles fortnightly sailings for Boston and New York.

*For complete information communicate with
any ticket or tourist agent, or*

Dollar Steamship Line American Mail Line

32 Broadway - - - - - New York
604 Fifth Ave. and 25 Broadway - - - - - New York
1018 Bessemer Bldg. - - - - - Pittsburgh, Pa.
177 State Street - - - - - Boston, Mass.
1519 Railroad Ave. So. - - - - - Seattle, Wash.

110 South Dearborn Street - - - - - Chicago, Ill.
101 Bourse Bldg. - - - - - Philadelphia, Pa.
514 W. Sixth Street - - - - - Los Angeles, Calif.
Dime Bank Building - - - - - Detroit
Robert Dollar Bldg. - - - - - San Francisco, Calif.

"EVERY DAY" in another way

Millions of Americans know from long personal use the almost indispensable value of American Express Travelers Cheques as safe and serviceable travel funds anywhere.

But there's another big value in these Cheques—in their everyday use—whether you travel or not.

It is a human, economic value. Simply this: It's the easiest thing in the world to break a ten dollar greenback, and once broken—it's gone!

But with a "sky-blue" American Express Travelers Cheque it's different. You have to sign it first. Just a little more trouble to spend it. In that "little trouble" lies the economic advantage of the "sky-blue."

You will find that about once out of every three calls to break up an American Express Travelers Cheque you won't do it. At least you will give a good second thought to it. Not that you can't do it and do it easily, if it's necessary. Only you will question the necessity.

The principal advantage of these Cheques for everyday use is the constant protection they give you against the loss or theft of your everyday money. Then there is the comfort of them, the financial importance carrying them gives you, and their helpful personal service value when you are away from home—in your auto or traveling—extended through 27,000 American Express offices in the United States and Canada.

Believe it or not it's so—all of these advantages in carrying American Express Travelers Cheques in this country—and millions of individuals who have used them will tell you so.

FOR SALE AT 22,000 BANKS,
AMERICAN EXPRESS AND AMERICAN
RAILWAY EXPRESS OFFICES

American Express Travelers Cheques

Secure your steamship tickets, hotel reservations and itineraries; or plan your cruise or tour through the American Express Travel Department

vision of the Bureau of Mines, in cooperation with various industries, for the purpose of visualizing the various phases of the mineral and allied industries. The entire cost of producing each picture is borne by the cooperating agency.

"The Story of the Electric Detonator" is depicted in another new educational motion-picture film just completed by the Bureau of Mines, in cooperation with one of the large explosives manufacturing concerns. The film shows in graphic detail the methods of manufacture and use of this modern and highly practical device for the firing of explosives.

The films are loaned free of charge to those who wish to borrow them. Application may be made either to the U. S. Bureau of Mines at Washington, D. C., or to the U. S. Bureau of Mines Experiment Station, Pittsburgh, Pa. A complete descriptive list of the films will be sent upon request.

BALTIMORE, WASHINGTON, AND ALEXANDRIA, VA., are the subject of Report No. 16 of the studies by the War Department and Shipping Board on the ports of the United States.

War Department Issues Another Report on Ports

This report, like others of the series, gives full information with regard to port and harbor conditions, port customs and regulations, services and charges, fuel and supplies; facilities available for service to commerce and shipping, including piers, wharves, dry docks, ship repair plants, coal and oil bunkering, grain elevators, storage warehouses, bulk freight accommodation, floating equipment, wrecking and salvage equipment, railroad and steamship lines, and their charges in connection with terminal service.

RECOMMENDATIONS of the American Engineering Standards Committee for standard practice in rock-dusting coal mines have recently been published by the United States Bureau of Mines, Department of Commerce, as Information Circular 6030. Several members of the Bureau of Mines staff served on this committee, whose recommendations are essentially in harmony with those of tentative specifications previously published by the Bureau in Serial 2606. As certain supplementary details contained in Serial 2606 are not included in the recommendations formulated by the American Engineering Standards Committee that serial should be considered by coal-mine managements in conjunction with the committee's report now published as Information Circular 6030. Copies of both papers may be obtained from the Bureau of Mines, Department of Commerce, Washington, D. C.

Standards for Rock-dusting in Coal Mines

IN ACCORDANCE with the law, the National Bureau of Standards makes tests and carries out investigations for other government departments. Because of the large amount of this official work it is impracticable for the bureau to make tests for private individuals if other laboratories can do the work. To inform interested persons of the location of other laboratories, and in anticipation of a marked increase in the demand for independent testing service in both domestic and export trade, the bureau has compiled a directory of the 207 commercial testing laboratories throughout the country, together with indications of the types of commodities which they are prepared to test. Special care has been exercised to make this list complete. To accompany the list of testing laboratories there has also been compiled

Directory of Laboratories and Certification

a list of the laboratories of 141 colleges which are used not only for the purposes of instruction but also to a considerable extent for research work. In fact, many important industrial research problems are being solved in the college laboratories.

The existence of a thoroughly classified list of testing laboratories will have a number of beneficial effects in promoting the use of specifications, not the least important of which will be the inducement offered to the large number of purchasers who have hitherto hesitated to buy on specifications because of their inability to determine whether or not commodities delivered correspond to the specification requirements.

For the purpose of minimizing the disadvantages incident to the use of specifications, the bureau has inaugurated a so-called "certification plan" in accordance with which there are compiled lists of manufacturers who have expressed their desire to supply material complying with certain selected nationally recognized specifications and willing to certify to the purchaser upon request that the material thus supplied is guaranteed to meet the requirements and tests of the specifications. This plan has already been applied to 48 United States Government master specifications. Copies of any of the 48 lists of manufacturers, to which additions are being made from time to time, can be obtained upon request.

Simplified Invoice Form Is Adopted

THE JOINT COMMITTEE ON INVOICE SIMPLIFICATION has unanimously adopted a simplified invoice, combining the best features of both the Uniform and the National Standard so as to provide adequately for both multiple or consolidated and unit billing.

The form is the result of a series of meetings over a period of several months in which proponents of both predecessor forms have given considerable study to the issuance and use of invoices. Problems of the vendor, also those of the customer, in connection therewith, have been most thoroughly discussed and provided for.

It is desired, of course, to get as many acceptances as possible for the Simplified Invoice; and those interested may obtain information from R. M. Hudson, Chief of the Division of Simplified Practice of the Department of Commerce, Washington, D. C.

THE DEPARTMENT OF COMMERCE has issued a trade bulletin on the central light and power plants in the countries of the Western Hemisphere which should

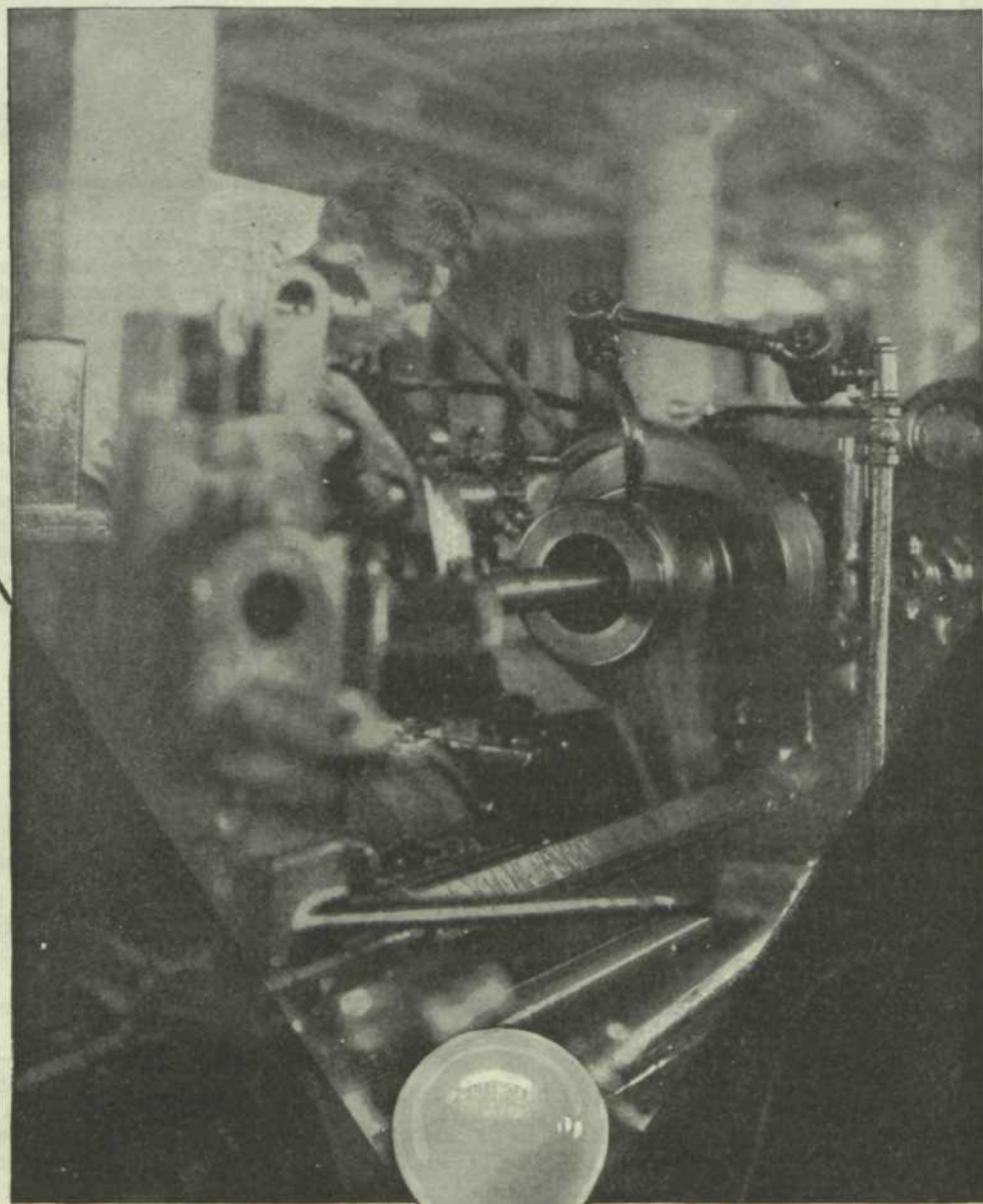
Central Light and Power Plants prove of considerable interest and value to the Americas

American exporters of electrical goods. Besides detailed information on the characteristics of the available current supply in these areas, the bulletin discusses the various countries as markets for American electrical equipment.

The countries with which this bulletin is concerned are probably the markets to which most of our exporters direct their initial attempts. With the exception of Canada none of them can be classed as manufacturing. During 1925 this area bought \$38,000,000 worth of American electrical goods which was approximately one-half of our total exports.

The present bulletin, which was compiled in the Electrical Equipment Division by Howard E. Way, is published as Trade Information Bulletin No. 469. Copies may be obtained from any district or cooperative office of the Bureau of Foreign and Domestic Commerce, or direct from the Superintendent of Documents, Government Printing Office, Washington. The price is 10 cents.

Light up for increased production



REPEATED TESTS have proved that better lighting will increase production 6 to 30 per cent at a cost representing only 1 to 5½ per cent of the payroll.

Ask your lighting service company or our engineers for recommendations or for a bulletin about lighting your particular kind and size of business. Our services are



MAZDA—the mark of a research service

free and bring you the benefits of MAZDA* Service, through which the achievements of world-wide research and experiment in the Laboratories of General Electric are given exclusively to lamp manufacturers entitled to use the name MAZDA. Just drop a line to the Edison Lamp Works of General Electric Company, Harrison, N. J.

EDISON MAZDA LAMPS

GENERAL  ELECTRIC

To officers of corporations

The Equitable acts in the following corporate trust capacities:

1. As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.
2. As transfer agent and registrar of stock. (In the transfer of even a single share of stock there are thirty-five separate steps. Each one of them is vital to a proper transfer; if a single error is made, confusion, loss of time and expense will result.)
3. As depositary under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.
4. As agent and depositary for voting trustees.
5. As assignee or receiver for corporations under action for the protection of creditors.
6. As fiscal agent for the payment of bonds, and coupons of states, municipalities and corporations.

Without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



Protect yourself against these costly errors

It takes years of special training and experience to conduct a trustworthy stock transfer department. In the transfer of even a single share of stock there are thirty-five different and important steps, and an error in any one of them will result in confusion, loss of time and expense.

By appointing The Equitable transfer agent you assure yourself of the proper execution of this phase of your business.

Read the column at the left . . . then send for our booklet, *The Equitable Trust Company of New York, Transfer Agent*.

THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

MADISON AVE. at 45th STREET 247 BROADWAY
MADISON AVE. at 28th STREET

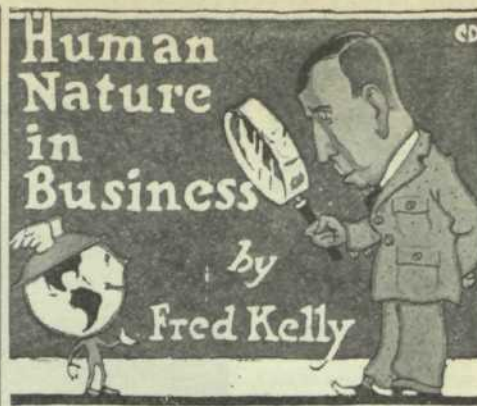
DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
BALTIMORE: Keyser Building,
Calvert and Redwood Sts.
ATLANTA: Healey Building
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: Financial Center Bldg.

LONDON • PARIS • MEXICO CITY

Total resources more than \$475,000,000

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I WAS AMAZED to learn recently from a friend in the corset manufacturing business that more corsets are being sold in the United States today than ever before. True, slender girls are not as good prospects for corsets as they once were, but the bulk of the corset business—and the annual sales at retail are nearly \$115,000,000—is to bulky women, that is, to stylish stouts and other stouts. And there is evidence that stout women are more numerous than ever before. One explanation for this is the general prosperity of the country. When families have more money on the average than they used to, the women folk



naturally are likely to eat more, and those who don't exercise girth control find themselves occupying more than their share of space. Then they seek corsets to help crowd themselves back within reasonable bounds.

NEW YORK hotel men find that men stay longer in the metropolis when they bring their wives along. This seems to refute the old theory of misogynists that taking one's wife on a trip to the big town is twice the expense and only half the fun.

The explanation of men staying longer when their wives accompany them is, of course, simple enough. Two people, having both common and individual interests, can find at least twice as many things to keep them in New York as one person can.

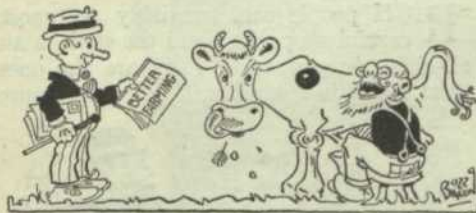
IT JUST occurred to me after talking with my old friend, Ed Norwood, author, savant, and press agent for the Ringling circus, that circuses comprise the most conservative business on earth. Any circus could save thousands of dollars of operating costs each week by introducing modern methods. They could use motor trucks for hauling their equipment from train to show grounds, or they could even move from place to place by motor vehicles and dispense not only with scores of draft horses, but all the men who take care of such horses. They could far more economically drive stakes entirely by machinery. But what would be the result? Bankruptcy

for any circus that attempted such modern economies. The whole success of the circus business lies in being conservative—in preserving the primitive. We don't go to a circus to see how horses may be supplanted by motor trucks or how stakes may be driven more economically, though less picturesquely, than by a team of five or six men. We like a circus in direct proportion to its similarity to those we saw in bygone days. I have been trying to think if any other business approaches the circus in conservatism. If there is one, I wish somebody would inform me what it is.

A SOLICITOR for a well-known farm magazine tried to sell a subscription to a farmer living in Summit County, Ohio.

"Why should I buy your magazine?" asked the farmer.

"Oh, it contains much that should interest you," said the agent. "It is full of good



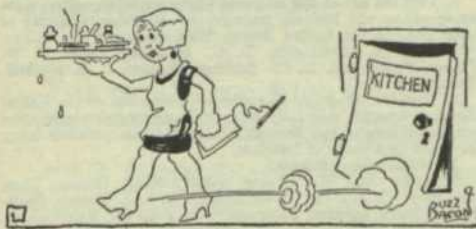
stories and also contains much information about how to do better farming."

"Shucks!" exclaimed the farmer, "I ain't doin' as good farming now as I know how to."

I WAS served at dinner recently by a bum waitress who raised the dignity of her job by considering the range of abilities it requires.

The restaurant was in a department store, and a flip little salesgirl had evidently been talking patronizingly to the waitress.

"I could handle her job," the waitress declared, "but she couldn't successfully take mine. A waitress has to have a good memory, to keep track of orders; strong legs and feet, to carry heavy trays; quickness,



and a good disposition to get along well with both customers and the cook. That salesgirl hasn't a single one of those requirements."

A YOUNG man came to my house not long ago and got me interested in a new kind of mucilage especially intended to fasten together pieces of a torn page in a book. He demonstrated his product by tearing off the corner of a page in a magazine and promptly mending it. I became so enthusiastic that I ordered \$2.75 worth of the stuff. Not until the salesman had gone did I realize that I had bought enough to last me at least 1,000 years, for I don't tear a book page more than once or twice in a decade. I had been handled by a



Non-Skid Hi-Type

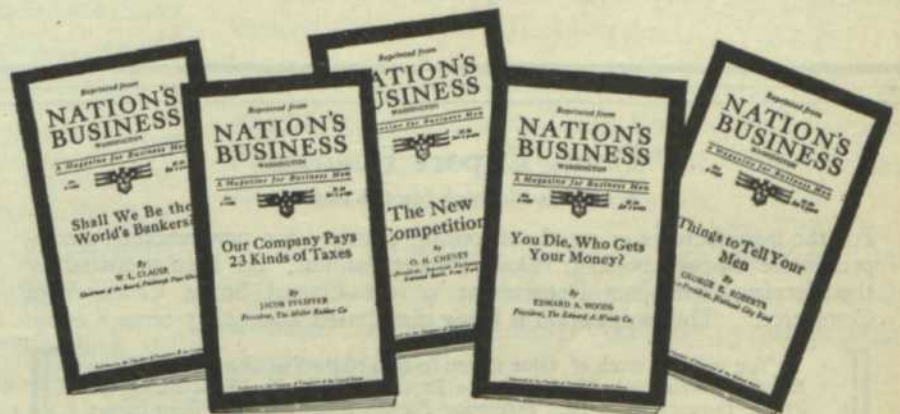
Extra Value in Heavy Truck Tires

The tire for maximum traction, cushion, mileage—to put heavy trucking on the soundest, most profitable basis. Draymen, contractors, farmers, manufacturers, jobbers—truck operators in every field are saving with Non-Skid Hi-Type Tires. Your Firestone Service Dealer will gladly show you records covering your kind of work, established in your locality. Call him today.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*



Reprints of articles appearing in NATION'S BUSINESS may be ordered from us at cost. Or we will give permission on request to reprint articles.

NATION'S BUSINESS, Washington, D. C.



We find the money you think you've lost

The bad bills in your business are robbing you of your profits just as easily as any Bad Bill with two guns can take your purse on a lonely street at midnight.

You look at the bad bills of your business and figure them as money lost. We show you how to reform them—how to make good bills of them.

Then the money you thought was lost is easily regained and nobody is offended. You never have to say "I hope you don't feel hurt."

Your accounts are safeguarded by a highly trained organization covering the entire country. You get intensive personal service in any county in the United States.

Our service plan is exclusive and wholly different from any other plan that deals with the collection of accounts. It is based on our mastery of business psychology.

We are serving several hundred of America's largest corporations. The interesting and graphic explanation of our plan will be a revelation to you.

Write for Circular No. 7

AMERICAN SECURITY CREDIT COMPANY

World-Wide Service
 General Offices St. Louis, Mo.

"Doing Export Business"

A new guide book for the exporter

For the manufacturer or merchant looking overseas for new markets, a comprehensive 64-page booklet, "Doing Export Business," has been prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This publication is being distributed at cost, 15 cents a copy.

You will find much of value to you in each of the five chapters of "Doing Export Business":—I. "Surveying the Export Field;" II. "Establishing the Export Department;" III. "Promoting Foreign Sales;" IV. "Filling Export Orders;" V. "Miscellaneous Considerations." It contains also explanation of a number of foreign trade terms, a brief bibliography and an index.

FOREIGN COMMERCE DEPARTMENT
 U. S. Chamber of Commerce, Washington, D. C.

When writing to AMERICAN SECURITY CREDIT COMPANY please mention Nation's Business

master salesman and permitted myself to be placed in the same class with the farmer who bought a carload of whetstones—just because the salesman said they were cheaper when bought in carload lots.

THE HEAD of a corporation that finances the selling of automobiles on instalments tells me that, contrary to popular notion, such losses as a finance company suffers, from automobile buyers failing to make their payments, are rarely on pleasure cars. A pleasure car is a prestige carrier and once a family has a car it will cut down on groceries, clothes or almost anything rather than be deprived of the car. Losses from non-payment of instalments are more likely to be in trucks and taxicabs. When an article is bought for purely business reasons and fails to show a profit, the owner promptly loses interest in it.

"RICH people are invariably the most careful shoppers," said the clerk in an all-night drug store. "They are the ones most likely to complain if we charge more



than they pay at a cut-rate store elsewhere."

Of course. That's why they are rich.

Statement of Ownership

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of Nation's Business, published monthly at Washington, D. C., for April, 1927.

City of Washington, District of Columbia, ss. Before me a Notary Public, in and for the City and District aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of the Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the United States, Washington, D. C. Editor, Merle Thorpe, Washington, D. C. Managing Editor, J. W. Bishop, Washington, D. C. Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

The officers are as follows:
 President, John W. O'Leary, Vice-President, Chicago Trust Company, Chicago, Ill.; Vice-Presidents, Lewis E. Pierson, Chairman of Board, American Exchange Irving Trust Co., New York, N. Y.; William Butterworth, President, Deere & Company, Moline, Ill.; Robert R. Ellis, President, The Hessig-Ellis Drug Company, Memphis, Tenn.; Paul Shoup, Vice-President, Southern Pacific Railway Company, San Francisco, Calif.; Treasurer, John Joy Edson, Chairman of Board, Washington Loan and Trust Company, Washington, D. C.; Secretary, D. A. Skinner, U. S. Chamber of Commerce Building, Washington, D. C.

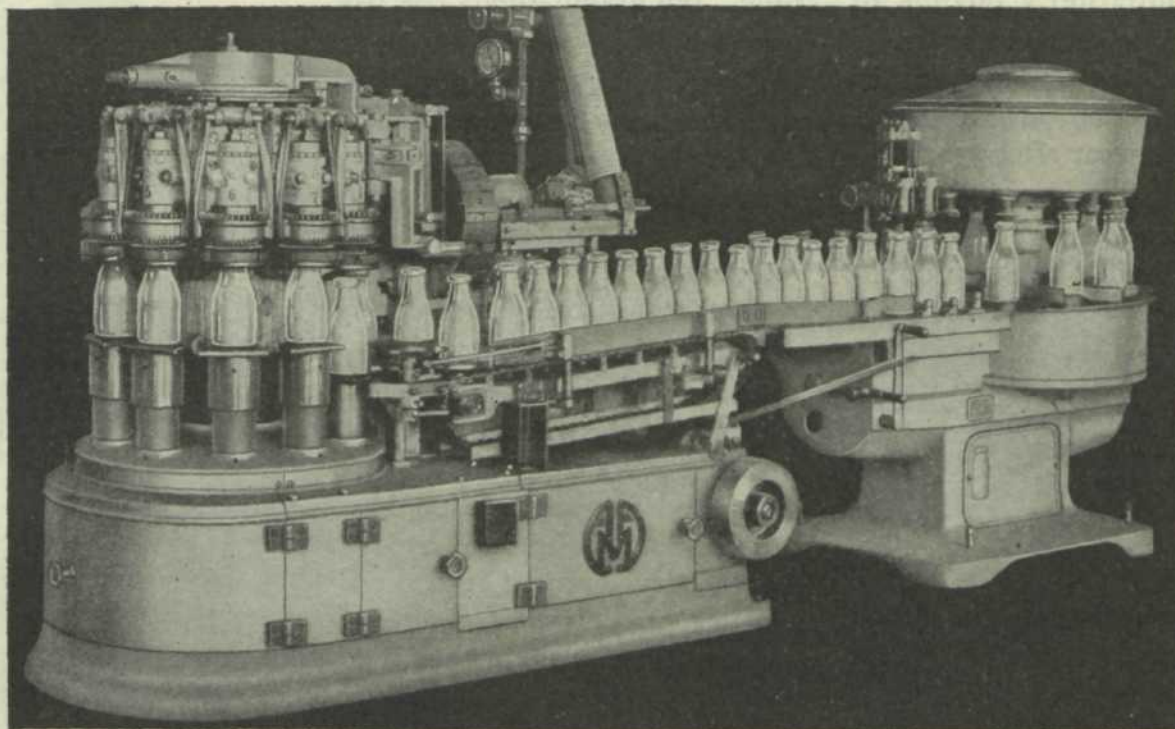
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

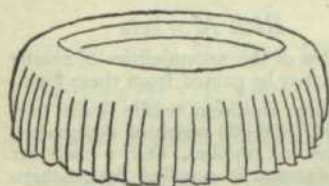
MERLE THORPE, Editor and Publisher.
 Sworn to and subscribed before me this 8th day of April, 1927.
 Seal) LACEY C. ZAPP,
 Notary Public,
 District of Columbia.

(My commission expires November 5, 1928.)

Your producing partner machinery



The Lakewest Automatic Milk Bottle Sealing Machine with Milwaukee Filler



is it thorough?

You would not think much of a business associate who had brilliant ideas, but who could not follow them through. His lack of thoroughness would throw too great a burden on your shoulders.

The same idea applies with added force to your real producing partner—automatic machinery. But thoroughness is a quality that is built into every AMF product, particularly the Lakewest Automatic Milk Bottle Sealing machine.

The conception of this machine goes back to the period when the Pure Food Laws were being agitated. A need was felt for a milk bottle cover that would really *protect* the contents of the bottle.

Years of experimental work finally resulted in the Westlake Sanitary Seal—a tough five-ply paper cap that is moulded by heat to a tight fit over the lip of the bottle—and in this ingenious automatic machine which takes the seal in flat disc form and applies it securely as a finished cap to the freshly filled bottle.

The milk is thus protected against contamination in delivery and the housewife is pleased because it is more convenient. The whole process is economical as well as thorough.

AMF producing partners are making fine records in many varied fields of industry. Possibly some of them could help you solve your production problems.

American Machine & Foundry Company
5502-5524 Second Ave., Brooklyn, N. Y.
London, England Shanghai, China

AUTOMATIC MACHINERY

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business

You have GRANDFATHER'S CHANCE

WHO has not wished for his grandfather's chance to establish a business, to invest in young and vigorous enterprise, to buy real estate *sure* to multiply its value year after year?

You have that chance.... the opportunity to move your business here, and to make your in-

vestments grow into a solid fortune. But grandfather's risk has been cut 'way down.

For *he* had to pioneer. He gambled on what *might* happen in developing industries, enlarged markets, multiplying values. For you, the risks are discounted. The hard pioneering work has already been done.

State-wide road building has opened up whole sections of Piedmont Carolinas where previously the only work available was on backwoods farms. A great public service group has carried hydro-electric development into these sections, providing *industrial* employment for the abundant labor.

Business men have grasped the opportunities. Wealth during the last few years has increased *three times as fast* as in many older, more highly industrialized states. Now is the time to build with this section. Take advantage of the opportunities to set up *your* business in Piedmont Carolinas, to supply the industries already established here. Serve the rich markets that have been developed and that are growing far faster than they can at present be supplied locally.

Investigate. Get all the details that apply to you and *your* interests. Our Industrial Department, Room 103, Mercantile Building, Charlotte, N. C., gladly places its facilities at your service. Write.

Success that has been doubled and redoubled

Starting with one retail store, this newcomer* to Piedmont Carolinas soon expanded as his growing trade made expansion necessary. Now he operates four thriving retail shops.

Some time ago he set up a manufacturing plant to supply his stores. This branch of his business has doubled, then doubled again—until today it is one of the leading enterprises of its kind in the Carolinas.

The same sort of success is possible to merchants and manufacturers in many lines.

*Name and all details on request.



Rich Markets

Some idea of the potentialities of nearby markets may be gained from these facts:

Annually Southern textile mills purchase \$107,000,000 worth of equipment, machinery and supplies. Only a small part of this demand is supplied by Southern manufacturers.

Imports into the South of ceramic wares amount to \$45,000,000 annually—chinaware, wall and floor tile, sanitary ware, electrical porcelain and refractories.

Practically all of the textiles used in the extensive furniture industry, together with much of the hardware and fittings used by that industry, are imported.

And the Carolinas yearly bring in foods and feed products worth \$335,000,000.

These are only a few of many outstanding examples of rich waiting markets. They will amply reward manufacturers who elect to utilize local labor and local raw materials in supplying them.

PIEDMONT CAROLINAS
Where Wealth Awaits You

DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }

Sold 140 Carloads of coal— *in* *hot weather*



FROM ALL KINDS OF BUSINESSES come reports of the use of long distance calls to get more accomplished, at less cost. Sometimes a task can be done in days by telephone that otherwise would take months. Business can be secured that otherwise would be lost. Salesmen and executives can conserve their productive time and so increase the good results of their work.

Long Distance is as important to inter-community and inter-sectional business

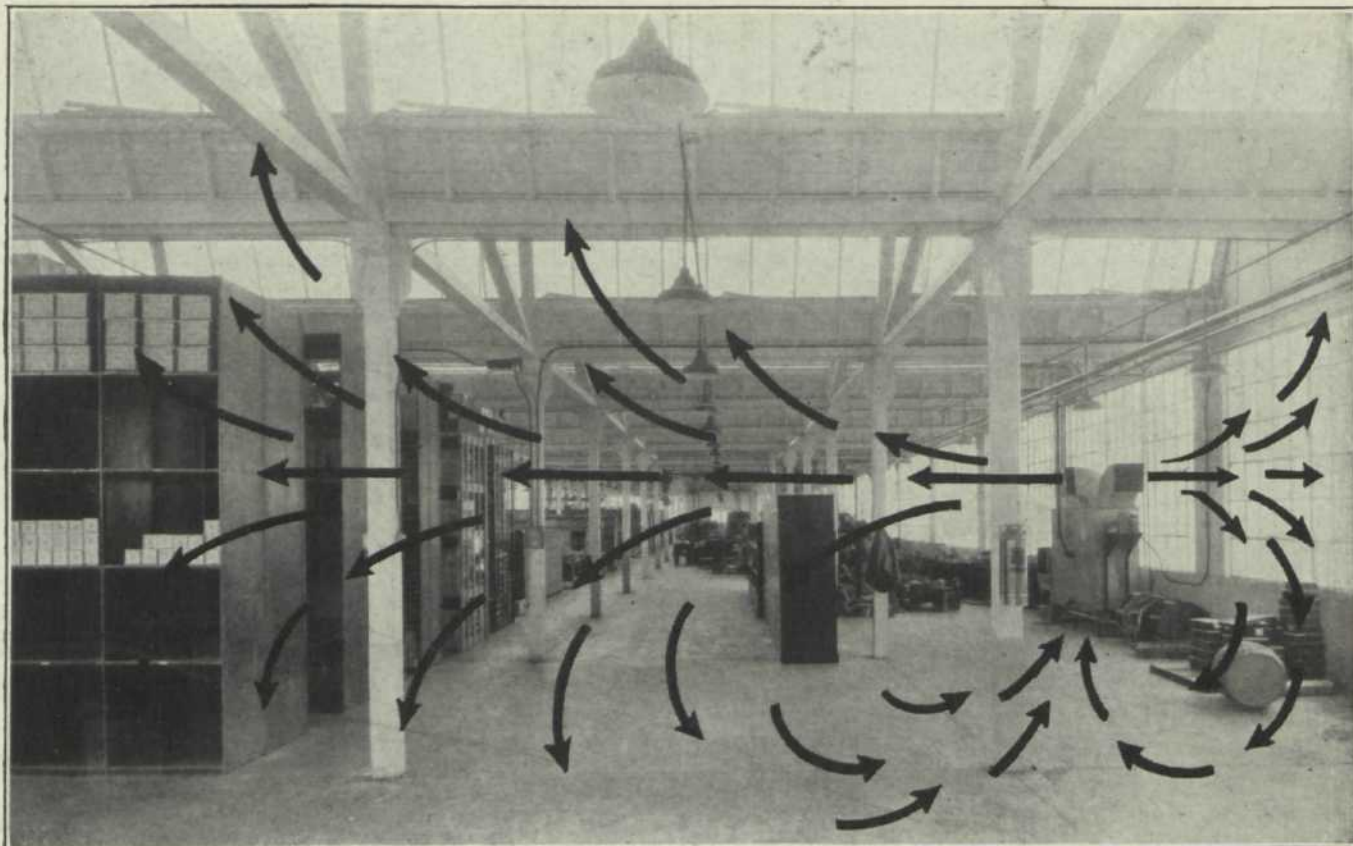
IT WAS SWELTERING May weather in Omaha—a bad time, you might think, to sell coal. Yet a coal company manager and his assistant compiled a list of 200 dealers in Nebraska, Iowa and Missouri who were good winter customers. Two men in three days made the calls, the charges approximating \$200. They sold 140 carloads, \$21,000 worth. Ordinarily it took three salesmen two months to cover this same territory. Never before in hot weather had sales run so high.

as the local telephone is to local affairs. How can any business concern reach its greatest development without a regular use of long distance calls?

Anywhere is as close as your telephone. Is there some distant call that should be made now? You'll be surprised how little it will cost. . . . Number, please?

BELL LONG DISTANCE SERVICE



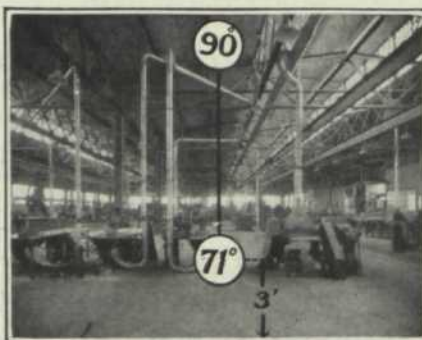


The horizontal arrows illustrate the path followed by heated air released at high velocity over the heads of the workers, by a York Heat-Diffusing Unit.

Radical Improvement in Factory Heating now puts IDLE HEAT to work

RADICAL CHANGES in methods of factory heating have taken place within the last few years. The former practice of connecting radiators to steam lines, or of putting in expensive duct systems is being universally and successfully challenged. The York Heating and Ventilating Company, in order to place before executives wherever possible visual evidence of these developments, has been conducting a series of tests in many factories, demonstrating the efficiency of the new installations. The tests concern not only executives who are putting up new factories, but those whose present factories have always been "heat-eaters" and hard to warm evenly with their present heating system. Many such situations are now being met by throwing out the old and replacing with the new—and in every case the results have been highly gratifying to everyone.

The new system of factory heating is built around the principle of releasing heated air horizontally at high velocity and drawing in cool air from floor-level for recirculation. The action takes place with York Heat-Diffusing Units. They are installed in place of radiators, pipe



In this plant, a rigid mid-winter test showed a rise of but $\frac{1}{4}$ of one degree per foot of height from the three-foot level to the roof. There was a variation of but $\frac{1}{2}$ of one degree over the entire building at the five-foot level.

coils or central blower systems. The system is less costly to install than old-fashioned radiators. It saves in comparison from 10% to 50%. A saving in operating costs has been proven in every instance where figures comparing York Heat-Diffusing Units with the former system of heating have been available.

"Heat with Unit Heaters"

YORK
HEAT-DIFFUSING
UNIT

The figures show a favorable balance on the side of York Heat-Diffusing Units ranging from 10% upward. From the standpoint of comfortably regulated heating, the results are so important that no factory executive can afford to ignore them. A typical instance is that shown by tests which were recently carried out in the building pictured here.

Large concerns—those with greatest facilities for studying York Heat-Diffusing Units—are foremost in the movement toward this radically better system of factory heating. York maintains branch offices and representatives in principal cities, and will gladly co-operate in working out plans for installations. Write for interesting "Smoke Bomb Test" literature and other data, to York Heating and Ventilating Corporation, 1514 Locust Street, Phila., Pa.

YORK HEATING & VENTILATING CORP.
1514 Locust Street, Philadelphia, Pa.

Please send me Smoke Bomb Test literature and other facts concerning York Heat-Diffusing Units.

Name

Address

N.B. 6-27